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Evaluation of linkages between headquarters and field activities: a review of best practices for poverty eradication in the framework of the United Nations Millennium Declaration

Note by the Secretary-General

In conformity with General Assembly resolutions 48/218 B of 29 July 1994, 54/244 of 23 December 1999 and 59/272 of 23 December 2004, the Secretary-General has the honour to transmit herewith the report of the Office of Internal Oversight Services on the evaluation of the theme "Linkages between headquarters and field activities: a review of best practices for poverty eradication in the framework of the United Nations Millennium Declaration".

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Report of the Office of Internal Oversight Services on the evaluation of linkages between headquarters and field activities: a review of best practices for poverty eradication in the framework of the United Nations Millennium Declaration

Summary

The present report fulfils the request of the Committee for Programme and Coordination that the Office of Internal Oversight Services (OIOS) conduct a pilot thematic evaluation of "Linkages between headquarters and field activities: a review of best practices for poverty eradication within the framework of the United Nations Millennium Declaration". The report assesses the effectiveness of such linkages and identifies the best practices to be promoted.

The report concludes that linkages between headquarters and the field are crucial to a comprehensive, multisectoral and coordinated approach to poverty eradication. Within the headquarters/field transmission line, a highly complex system of linkages connects and coordinates the poverty eradication activities of headquarters, regional and field offices, with linkages flowing in multiple directions and often dependent on personal connections and ad hoc agreements. This complexity is not conducive to the consistent and systematic transmission of knowledge, guidance and experience.

While the conventional headquarters/field paradigm is one of mutually reinforcing normative, analytical and operational roles and functions, in practice it is characterized by a wide diversity of roles and activities, unfulfilled complementarities, shifting boundaries and a limited role for non-resident agencies. A combination of strong institutional linkages, knowledge-sharing in respect of activities of mutual interest, good working relations and mutual trust is required to utilize fully the complementarities between headquarters and field offices. Furthermore, better integration of regional entities, in particular the regional commissions, into the headquarters/field transmission line would strengthen linkages. Both inter-agency and intra-agency coordination at the headquarters level are required to ensure that a common agenda and strategy for poverty eradication are submitted to the field, while the capacity of the resident coordinator system must be strengthened in regard to coordination not only at the country level but also with headquarters entities. Linkages must also be supported by management practices, work tools and communication strategies which facilitate interaction, collaboration and joint activities.

Best practice linkages facilitate coordination, collaboration and synergy among headquarters, regional and field offices and tap into the collective capacity of the United Nations system to foster the success of poverty eradication activities. Such linkages include the effective use of knowledge management networks, inter-agency partnerships built around thematic dimensions of poverty, informative websites and other electronic forums, and a strong resident coordinator system and country team practices that promote effective coordination with headquarters.

OIOS makes nine recommendations to the Secretary-General, the United Nations System Chief Executives Board for Coordination, the United Nations Development Group, the Department of Economic and Social Affairs and the regional commissions. These recommendations include enhancing collaboration among inter-agency coordinating bodies, introducing a more strategic approach to system-wide knowledge management networks, increasing the exchange of information between country teams and non-resident agencies and regional commissions, strengthening management practices in relation to administration, training, performance appraisals and staff secondments, and further strengthening of the resident coordinator system.

I. Introduction

1. At its forty-fourth session, the Committee on Programme and Coordination requested the Office of Internal Oversight Services (OIOS) to conduct a pilot thematic evaluation of "Linkages between headquarters and field activities: a review of best practices for poverty eradication within the framework of the United Nations Millennium Declaration".[1] Its objective was to assess the effectiveness of linkages between headquarters and the field and to identify best practices to be promoted. The evaluation uses poverty eradication as a case study for discussing linkages but does not provide an independent assessment of the poverty eradication activities. The evaluation was conducted within the context of United Nations reform aimed at greater harmonization in the United Nations system. The report has been reviewed by the relevant departments and offices; their comments are included in italics, where appropriate.

2. Within the United Nations Organization, the traditional headquarters/field paradigm makes a distinction between norm setting, policy formulation and analytical activities at headquarters and operational and assistance activities carried out in the field. Regional and subregional offices are mid-level units in the paradigm. Not all United Nations entities have a field presence; for work in the area of poverty, the United Nations Secretariat has a more limited presence than the rest of the United Nations system. Given this variability, assessing how the various entities coordinate efforts and collaborate is especially important. For the purposes of the evaluation, linkages are considered to be the policies, guidelines, mechanisms and tools that connect the activities undertaken at the headquarters, regional and field levels. Effective linkages are intrinsic components not only of reaching poverty eradication goals, but are important in relation to other United Nations activities.

3. Linkages between headquarters and the field cannot be fully discussed without acknowledging the part played by Member States in bringing different expectations and perspectives to the role of the United Nations in poverty eradication. In intergovernmental bodies, Member States shape global agendas and priorities, while at the national level, they have principal responsibility for coordinating external assistance, including that provided by the United Nations. Given the primacy of national Governments in pursuing development activities, the role played by the United Nations at the country level is ultimately shaped by national needs and priorities.

II. Background

4. Poverty eradication is complex and multidisciplinary. There is no single agreed definition of poverty: the simplest refers to lack of the minimum resources needed to sustain an acceptable standard of living. The latter is relative, dependent on the culture, economy and polity to which it pertains. This simple definition does not spell out vital aspects of poverty eradication, such as access to education, health, water and sanitation and work. In addition, poverty has significant dimensions, such as gender, age and ethnicity. In order to quantify its extent and distribution, statistics are needed.

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[1] *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 16* (A/59/16), para. 399.

5. It is generally recognized that poverty eradication is tackled both through overall economic growth and through the more equitable distribution of that growth. Hence, economic management and governance are vital to the task. In resolving to halve the poverty rate by 2015, the General Assembly, at the Millennium Summit, laid down a major challenge to the world and to the United Nations. In the final analysis, the challenge must be met at the country level. The task of the United Nations is to bring to bear its experience, expertise and resources in providing support to countries in reaching their development goals.

6. By resolution 50/107 of 20 December 1995, the General Assembly proclaimed the first United Nations Decade for the Eradication of Poverty (1997-2006). Subsequently, by resolution 51/178 of 16 December 1996, it recommended that, within the context of overall action for the eradication of poverty, special attention be given to the multidimensional nature of poverty and that the causes of poverty be addressed in the context of sectoral strategies, such as those on environment, food security, population, migration, health, shelter, human resources development, fresh water, rural development and productive employment. The Assembly, by resolution 55/2 of 8 September 2000, adopted the United Nations Millennium Declaration, which sets out eight specific, time-bound Millennium Development Goals which are to be met by 2015. These Goals include that of eradicating poverty and hunger, a goal measured by two targets: (a) halving the proportion of the world's people whose income is less than one dollar a day; and (b) halving the proportion of people who suffer from hunger.

7. Linkages among poverty eradication activities must be understood within the context of the reform measures laid out by the Secretary-General in 1997 and 2002, which call for greater coherence within the United Nations development system, improved coordination and further clarification of institutional roles and responsibilities. The table below identifies three inter-agency coordinating bodies relevant to poverty eradication,[2] of which the Chief Executives Board is the only system-wide mechanism.

[2] Other inter-agency bodies, such as the Executive Committee for Humanitarian Affairs, are also relevant.

	United Nations System Chief Executives Board for Coordination	*United Nations Development Group*	*Executive Committee for Economic and Social Affairs*
Established	2001	1997	1997
Purpose	To provide a forum for bringing together executive heads of all organizations with the aim of increasing coordination and cooperation throughout the United Nations system	To improve the impact, effectiveness and efficiency of United Nations operations at the country level in pursuit of the Millennium Development Goals and national needs and priorities, through increased coordination and collaboration among United Nations development organizations and agencies within the framework of the resident coordinator system	To act as an instrument of policy development, decision-making and management on economic and social issues
Membership	28 entities	25 entities and 5 observers	17 entities
Chair	Secretary-General	Administrator of the United Nations Development Programme	Under-Secretary-General for Economic and Social Affairs
Secretariat	Secretariat of the Board	Office of the United Nations Development Group	Department of Economic and Social Affairs

8. The post of resident coordinator was established in 1981 to provide coherence and coordination at the country level among United Nations operational activities. The resident coordinator system was established in 1995 to encompass all organizations of the United Nations development system. Resident coordinators are designated representatives of the Secretary-General and lead country teams in more than 130 nations. Since 1998, country team activities are increasingly coordinated through the common country assessment and United Nations Development Assistance Framework (UNDAF) processes. These processes establish United Nations goals and priorities, in agreement with Governments, and are based on national strategies and plans, including poverty reduction strategy papers. The office of the resident coordinator is intended to be the main conduit through which headquarters activities are linked with the field.

9. The 2004 report of the Secretary-General on the triennial comprehensive policy review of operational activities for development of the United Nations system (A/59/85-E/2004/68) assesses the capacity of the United Nations development system to assist developing countries in poverty eradication, economic growth and sustainable development. Having considered the report, the General Assembly, by its resolution 59/250 of 22 December 2004, stressed the need to

continue strengthening cooperation and collaboration and called for enhancements in linkages among headquarters, regional and country-level activities.

III. Methodology

10. The following seven methods were used for the evaluation:[3] (a) an analysis of 2004/2005 programme data in the Integrated Monitoring and Documentation Information System; (b) a survey of a non-random sample of 44 subprogrammes[4] engaged in poverty work at the headquarters level; (c) a survey of a random sample of 50 resident coordinators;[5] (d) interviews with headquarters and regional staff[6] engaged in poverty work; (e) case studies based on field missions, which included consultations with country team members, national Governments and civil society groups; (f) a desk review of pertinent reports and other documents; and (g) an electronic discussion on the topic of linkages between headquarters and the field.[7] The findings of the present report are based on evidence obtained through an analysis of these quantitative and qualitative data sources. The criteria used to identify effective linkages include: systematic sharing of knowledge and information; mechanisms for strong communication and ongoing feedback; adequate work tools and management practices; and consistent policies and mandates.

11. The evaluation methodology had several limitations. First, recognizing the complexity involved in defining poverty, the evaluation does not attempt to engage in that debate. Further, given that the substantive work of nearly all United Nations entities has some relevance to poverty eradication, it was necessary to narrow the assessment to those working most directly on poverty. Lastly, the evaluation does not purport to be a comprehensive appraisal of the United Nations development system.

12. The scope of the evaluation is confined largely but not exclusively to linkages between the Secretariat and the field. However, given the breadth and nature of the evaluation topic, it was necessary to examine these linkages within the wider

[3] With the assistance of development and management experts.

[4] The subprogrammes represent the Department of Economic and Social Affairs, the Economic Commission for Africa, the Economic Commission for Europe, the Economic Commission for Latin America and the Caribbean, the Economic and Social Commission for Asia and the Pacific, the Economic and Social Commission for Western Asia, the Office of the United Nations High Commissioner for Human Rights, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, the United Nations Conference on Trade and Development, the United Nations Environment Programme, the United Nations Human Settlements Programme (UN-Habitat), the United Nations Industrial Development Organization and the United Nations Relief and Works Agency for Palestine Refugees in the Near East. Of the 44 subprogrammes, 30 responded. In the present report, respondents to the survey are referred to as programme managers. The survey was conducted during the period from September to December 2004.

[5] Of the 50 resident coordinators, 27 responded. The survey was conducted during the period from October to December 2004.

[6] Staff of the secretariat of the Chief Executives Board for Coordination, Department of Economic and Social Affairs, Department of Public Information, Economic Commission for Africa, the Economic Commission for Latin America and the Caribbean, Millennium Project, Office of the United Nations Development Group, United Nations Development Programme, United Nations Population Fund and United Nations Children's Fund.

[7] The discussion occurred on the Millennium Development Goals Network.

context of the United Nations system. At the headquarters level, the evaluation focuses on the Secretariat entities which appear in the biennial programme budget and to a lesser extent on funds and programmes.[8] At the field level, it focuses on country teams.

IV. Evaluation findings

A. The complexity of current linkage structures is not conducive to effective and efficient collaboration between headquarters and the field in eradicating poverty

Headquarters/field transmission line

13. Effective linkages between headquarters and the field are crucial to a comprehensive, multisectoral and coordinated approach to poverty eradication. Given the multifaceted and multidimensional nature of poverty, virtually every entity of the United Nations system contributes to its eradication. Each entity responds, at its headquarters, with expertise and strategies designed to tackle the poverty dimension in which it works. These are then disseminated to the field. Ineffective linkages between headquarters and the field may have three undesirable consequences: (a) promotion of activities of low relevance and priority to the country concerned; (b) unnecessary competition; and (c) duplication of effort. Some duplication, if complementary and not contradictory, may be necessary. In India, unnecessary duplication has been addressed with the establishment of a knowledge management exercise that gives focus to poverty eradication through the country-wide community of practice on poverty alleviation. This involves United Nations agencies, the national Government and civil society and, according to one country team member, it ensures that individual mandates lead to activities which are harmonious, coherent and have demonstrable sustainable development impact.

14. A headquarters/field transmission line links the activities carried out at one level with those at the other. Figure 1 illustrates how this transmission line ideally works to support national Governments.

[8] "Headquarters" refers to programme headquarters offices located in New York, Geneva, Vienna and Nairobi.

Figure 1
Headquarters/field transmission line

In this transmission line, headquarters ensures that mandates are known and understood at the country level; provides policy guidelines; collects, analyses and disseminates experience and best practices; and liaises with other headquarters entities for a coordinated and cohesive United Nations response. Country-level activities focus essentially on policy dialogue, with advice provided to Governments and civil society, on preparing and implementing United Nations cooperative operational activities, and on providing feedback to better inform future efforts. The transmission line must also incorporate, where relevant, the contributions of agencies that have no field presence. Headquarters programme managers state that

inadequate coordination with country offices is the biggest challenge that they face in their poverty eradication work.

15. OIOS notes that statistics is one poverty dimension in which the transmission line has worked well. Promulgating statistics on poverty measurements are commonly seen as important for eradicating poverty. It is generally agreed that the headquarters role is one of coordinating policy and developing methodologies, instruments and databases. In turn, these are transmitted to the field and integrated into operational activities and national Government practice. An assessment of their relevance and usefulness must also be fed back to headquarters. Noteworthy in this context is the global release in June 2004 of DevInfo, a database for monitoring progress made in achieving the Millennium Development Goals, originally developed by the United Nations Children's Fund (UNICEF) and used at the headquarters, regional and country levels.

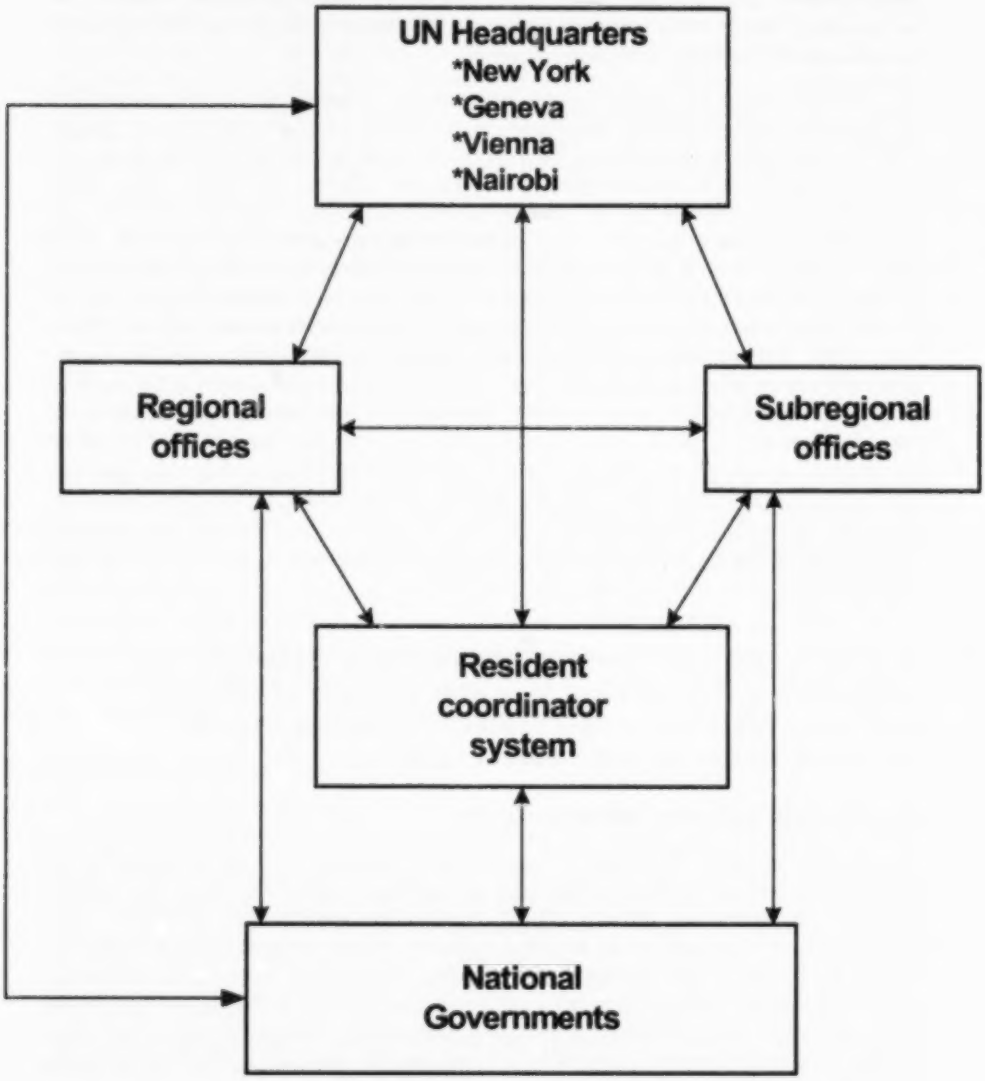
16. The need to align a common vision, strategy and action plan for combating poverty necessitates that headquarters and field offices be strongly linked. OIOS noted concurrent projects on several poverty dimensions, such as governance and gender, being separately undertaken at the headquarters, regional and field levels, with little or no coordination among them. Effective linkages in these instances would ensure a more harmonized and cohesive approach to poverty eradication goals.

Linkage structures

17. Given the complexity of poverty and the absence of an agreed definition, a highly complex system of linkages exists to connect and coordinate the poverty eradication activities at headquarters, regional and field offices. Lack of coherence and coordination at the intergovernmental level and inconsistent messages among the governing bodies of the various United Nations entities contribute to the complexity. While OIOS recognizes that complexity is not inherently unfavourable and to some extent must be expected, it concludes that, given the multidimensional and multifaceted nature of poverty, such complexity does not consistently and systematically allow for the effective and efficient transmission of knowledge, guidance and experience. Programme managers and resident coordinators identify many entities with which they regularly link in connection with poverty activities. Based on an analysis of their survey responses and a review of common projects, these linkages are often dependent on personal connections and ad hoc agreements; systemic mechanisms for linking activities are more limited. However well personal linkages may work, they are inadequate as the sole means of working together, since they hinge upon personalities and are not durable.

18. Current linkages in relation to poverty eradication lack a consistent and well-organized structure. Figure 2 shows the multidirectional structures of current linkages.

Figure 2
Current linkage structures



In some instances, linkages flow directly from headquarters to country offices. In other instances, they flow from headquarters to the region and from there to the field, or from the region to the field with little or no headquarters input. Linkages also flow between field offices and between headquarters offices. Not uncommonly, linkages between headquarters and the field are bypassed entirely when headquarters works directly with national Governments: the Department of Economic and Social Affairs, for example, works directly with some African

countries in preparing poverty reduction strategy papers. These multidirectional linkages, while potentially enhancing synergies and exploiting the full capacity of knowledge and expertise in the United Nations system, also create vulnerability insofar as lack of coherence and consistency. In the same country, for example, young people can be addressed as a vulnerable group requiring special treatment, or as the future labour force that must be prepared to make a strong contribution to the socio-economic development of the country.

19. Differences in the organizational structures of agencies also create complexity in linkages. For example, headquarters typically consists of several major departments, each with a distinct field of work; regional offices, if they exist, are often located in different countries and carry out different functions. Also, some field offices are responsible for groups of countries rather than one country, and field staff undertake representational and/or technical roles. Furthermore, lines of authority and reporting are not always consistent within and across agencies; for example, in some agencies administrative functions are located exclusively at headquarters, while in others they are located at regional and country offices. While recognizing that organizational differences among agencies are unavoidable, and that the lines of authority and roles and responsibilities assigned by headquarters to field units cannot be the same across all entities, these differences do impact upon the effectiveness of collaboration between headquarters and the field. OIOS noted an example of this in one country in which collaboration between two field agencies on a poverty mapping project was impeded by lengthy headquarters/field reporting requirements. OIOS supports the initiatives of the United Nations Development Group to align the regional structures of member organizations and to simplify and harmonize planning and programming procedures.

B. In practice, the headquarters/field paradigm for poverty eradication is characterized by a wide diversity of roles and activities, unfulfilled complementarities, shifting boundaries and a limited role for non-resident agencies

Poverty eradication roles and activities

20. A wide diversity of perspectives, roles and responsibilities are associated with poverty eradication. While ideally these collectively contribute to a system-wide approach to combating poverty, OIOS noted that headquarters and field staff perceive of poverty eradication within a narrower context of individual programme activities. In 2004, the comprehensive policy review of operational activities confirmed that institutional mandates and identities continue to be the driving forces for most staff, and maintained that a system-wide culture among staff was increasingly recognized as a necessity, but was not yet a reality (A/59/85-E/2004/68, para. 50). The dominance of institutional mandates constrains effective linkages. Efforts at both the intergovernmental and inter-agency levels should aim at simplifying and harmonizing policies and procedures in a mutually reinforcing manner.[9]

[9] OIOS notes that, in April 2004, the Chief Executives Board approved the establishment of a Senior Management Service in the United Nations system to enhance inter-agency cohesion and coordination and to support the creation of a common management culture, among other goals.

21. At the headquarters level, poverty eradication activities encompass various facets. Twenty-nine subprogrammes[10] explicitly refer to poverty in their 2004/2005 work programme in the Integrated Monitoring and Documentation Information System (IMDIS). This includes 107 different outputs that specifically refer to poverty; most are publications, parliamentary documentation and expert group meetings. Only 8 of the 107 outputs are field projects. Furthermore, within the context of their work, headquarters programme managers define poverty eradication in various ways: in relation to economic growth and sustainable development, statistics and monitoring, capacity-building of Member States, human settlements and the environment. They view their overall role in poverty eradication as one of offering advice, recommending policy and/or providing technical assistance.

22. At the field level, poverty eradication is perceived within the context of providing support to national Governments. A majority of resident coordinators report spending 50 per cent or more of their time on poverty work.[11] Most report that the support provided by their country team to national Governments includes assistance with assessments, policy and strategic planning, programme or project design and implementation, and knowledge-sharing; they indicate that policy and strategic planning is their highest priority. Nearly all resident coordinators state that the national Government accepts and welcomes the United Nations role in poverty eradication.

23. Both headquarters and field survey respondents consider their poverty eradication mandate to be clear. Most programme managers report having been given an explicit directive to guide and focus their poverty activities based on the outcome of a United Nations global conference (such as the World Summit on Sustainable Development) or on a General Assembly resolution. Similarly, almost all resident coordinators report having a clear and sufficient mandate to guide their poverty work. However, OIOS observed that respondents are often not as aware of how their work fits into the overall poverty eradication activities of the United Nations system.

Unfulfilled complementarities

24. The roles and activities discussed above comprise the headquarters/field paradigm, and OIOS concludes that, in order for the paradigm's complementarities to be fully realized, a combination of strong institutional linkages, knowledge-sharing in regard to activities of mutual relevance, good working relations and mutual trust is required. However, OIOS observed that poverty eradication linkages are often structured around specific projects and not incorporated into standard operating procedures. Headquarters staff report being most likely to work jointly with other agencies on research and training projects and less likely to work together on programme development and implementation. Field staff report being most likely to work with headquarters staff on specific projects, such as publications.

25. OIOS also observed insufficient knowledge and mutual understanding between headquarters and field staff. One fourth of programme managers volunteer that a lack of knowledge about related activities being undertaken by other agencies

[10] Of the 134 subprogrammes with a specific programme of work in IMDIS.

[11] Based on the results of the survey, there is no correlation between the time spent on these activities and the region in which the office of the resident coordinator is located.

results in weak linkages between headquarters and the field. In addition, most resident coordinators cite the absence of field experience among headquarters staff as the main obstacle to effective linkages; a common concern was that visions at the headquarters level do not match capacity at the country level. On the other hand, some headquarters staff consider that their work in supporting intergovernmental processes and debate and translating global agreements to the country level is not fully understood and appreciated by field staff as important components of the United Nations role in eradicating poverty. They also emphasize the importance of flagship publications; for example, the *World Economic Situation and Prospects*, which in 2005 will be jointly produced by the Department of Economic and Social Affairs, the United Nations Conference on Trade and Development and the regional commissions, analyses the national and global economic environment from the perspective of their impact on development, including poverty reduction. OIOS is of the view that staff secondments between headquarters and field offices could address this lack of common understanding.

26. Contributions made by each actor in the headquarters/field paradigm must be considered to add value, which OIOS has determined is not always the case. In particular, headquarters directives are not consistently viewed as helpful. When asked about poverty work guidelines, one half of resident coordinators rate the usefulness of the guidelines as fair or poor, and one third consider that the country team has not been provided with sufficient tools to assist in implementing poverty eradication activities. Regarding field level contributions, some respondents maintain that country-level capacity is not always sufficient to provide the technical expertise required to assist with national development needs and priorities.

Shifting boundaries

27. OIOS noted that, with technological advances and new organizational structures, boundaries between traditional headquarters and field functions are shifting; normative, analytical and operational functions are no longer exclusive to any one entity or level. OIOS endorses this shift as strengthening linkages between headquarters and the field, provided adequate steps are taken to avoid overlap and duplication. In the Department of Economic and Social Affairs, for example, the Division for Public Administration and Development Management creates a practical linkage between the policy directives issued at headquarters and its country-level capacity-building initiatives, especially in providing advisory services in the establishment of pro-poor institutions and processes. At the United Nations Development Programme (UNDP), the headquarters-based Regional Bureau for Latin America and the Caribbean has linked its poverty activities with the field both analytically and operationally through, inter alia, fielding poverty-related missions, providing advice to countries on poverty reduction strategy papers, publishing poverty-related books and coordinating multi-agency meetings on the Millennium Development Goals.

Role of non-resident agencies

28. One of the biggest challenges with regard to linkages between headquarters and the field is the lack of a field presence by several agencies, particularly in the Secretariat, engaged in poverty work. The General Assembly, in paragraph 46 of resolution 59/250, stressed that the specialized agencies, the regional commissions and other United Nations agencies with no country representation or limited

country-level presence should contribute their accumulated analytical and normative experience so as to enable the use of all capacities available within the United Nations system. For this to occur, mechanisms must be in place to ensure that the contributions of non-resident agencies, if they are to be of relevance to the development needs of the country, are consistently and regularly incorporated into field level activities. At the Chief Executives Board retreat in October 2004, concrete proposals were made to engage more systematically non-resident agencies in programming efforts and services at the country level, including by the increased use of videoconferencing. However, OIOS observed that currently there is no direct service line to non-resident agencies. With regard to these agencies, country teams must know whom to contact and how to contact them, and must adapt by making such contacts a regular part of their working methods. OIOS concludes that non-resident agencies should determine their primary role in poverty eradication and successfully inform and build partnerships around it.

29. OIOS also observed a difference in how headquarters and field staff view the resident coordinator system as the main mechanism for linking non-resident agencies with the field. The General Assembly, in paragraph 69 of resolution 56/201 of 6 March 2002, encouraged enhanced dialogue, feedback, participation and interaction between the resident coordinator on the one hand, and, inter alia, the regional commissions and organizations of the United Nations system without field level representation on the other. OIOS observed some disparity in this regard. Programme managers report that non-resident agencies are more likely to link with country teams through regional offices or national Governments, and not through resident coordinator offices. In contrast, nearly one half of resident coordinators maintain that non-resident agencies link with country teams through their offices.

30. While field presence is often not possible, some country-level representation can have a positive impact by more directly utilizing the expertise of the agency represented. The 2004 report on the comprehensive policy review states that, in particular, field presence should reflect priority sectors and issues (A/59/85-E/2004/68, para. 110). One example is field staff of the United Nations Human Settlements Programme (UN-Habitat) in Ethiopia.[12] Having a programme manager there has buttressed the importance of improving human settlements — specifically, developing small and medium-sized towns — to the overarching national goal of poverty eradication in the country.

C. Better integration of regional entities, in particular the regional commissions, into the headquarters/field transmission line would strengthen linkages

Role of the regional commissions and the regional offices of other United Nations entities

31. The role of the regional commissions and the regional offices of other United Nations entities varies from one entity to another. At present, poverty analysis and achievement of the Millennium Development Goals constitute a high priority for all regional commissions. The regional level offers an opportunity to exchange national

[12] UN-Habitat has a partnership with UNDP, whereby it attaches its staff to some UNDP field offices.

experience on interrelated policy areas which are of crucial importance to eradicating poverty. Regional offices play analytical and operational roles, such as conducting research, undertaking technical cooperation projects, providing a forum for harmonizing policy perspectives among countries in their respective regions and providing direct support to country teams. Respondents generally agree that the value added is their ability to mobilize regional stakeholders and to discuss and contribute to poverty eradication from a regional perspective. Significantly, several programme managers attest to the importance of the regional level in linking headquarters and field activities; one third state that they link with the field most commonly through a regional entity.

32. The role of the regional commissions was often raised during the conduct of the present evaluation, and OIOS noted that linkages between the regional commissions and country offices are particularly weak. The 2004 report on the comprehensive review of operational activities stated that the involvement of the regional commissions in country programmes remained limited, although it did state that country teams recognize the potential benefit of closer collaboration with the regional commissions on issues with cross-border, regional and global dimensions (A/59/85-E/2004/68, para. 63). In paragraph 76 of resolution 59/250, the Assembly called for improved mechanisms for access to the technical capacities of the United Nations system at the regional and subregional levels. There is a need for both the regional commissions and country teams to be proactive, especially in the preparation of the common country assessment and UNDAF and in the incorporation of relevant cross-border, subregional and regional elements. Many field level respondents agree that the regional commissions currently play a limited role in their work. Fewer than one half of resident coordinators report linking on a regular basis with the regional commissions in regard to work on poverty eradication (the one exception being statistics, which several identify as an area in which an important contribution is made by the regional commissions). Where the regional commissions do interact with country offices, interactions are most likely to pertain to a specific activity or project. Respondents suggest that the regional commissions should inform country teams on a regular basis of new research and products, along with the relevant contacts. *The Regional Commissions New York Office stated that it is necessary that the Resident Coordinator and country team seek the involvement of the regional commissions and other entities at the regional level in order to give greater and more systematic consideration to the regional and subregional dimensions of development and to maximize the opportunities offered by the incorporation of the regional dimensions of development into their country-level processes. Further, the regional commissions can assist in building partnerships and monitoring the implementation of the Millennium Development Goals from a regional perspective. There is also potential for the resident coordinator and country teams to utilize the regional coordination arrangement established under Economic and Social Council resolution 1998/46 of 31 July 1998, for which the regional commissions serve as the secretariat.*

33. In no other region is the goal of poverty eradication more urgent than in sub-Saharan Africa. The work of the Economic Commission for Africa (ECA) is therefore especially significant. OIOS noted several recent ECA poverty-related projects that are of relevance and utility to country teams in Africa. For example, one ECA division has prepared spatial poverty maps for Africa. Another ECA project involves the development of a model and guidebook for collecting,

analysing and disseminating gender-specific poverty data. These projects, however, have not been disseminated to country teams in Africa. Respondents at ECA admit that interaction with country teams in Africa could be strengthened and, despite the physical proximity of their offices, members of the country team in Ethiopia have limited awareness of the work of ECA. In this regard, OIOS commends recent ECA efforts to brief that country team about its work.

34. Several factors appear to limit the integration of the regional commissions into the headquarters/field transmission line. Currently, few if any systemic mechanisms link their activities to those of country offices. Language is another factor. For example, the Economic Commission for Latin America and the Caribbean (ECLAC) has produced several reports on poverty-related topics in Spanish only; without translation into English, their value for other regions is limited. When asked about the feasibility of translating executive summaries, ECLAC staff responded that the funds were not available. OIOS considers that there should be central support resources for disseminating important regional information, not only to the field but to other regions.

35. In addition to feedback on the regional commissions, feedback from country teams indicates less satisfaction with the regional support provided by their own agencies. One fourth of resident coordinators assess regional support for their poverty eradication activities as fair or poor (their overall rating of headquarters support is higher). One view offered on regional offices is that they are too far away, and there is no specific support plan for real engagement with country offices.

36. OIOS noted that linkages between regional and headquarters offices were generally stronger. In the Department of Economic and Social Affairs, for example, linkages exist with the regional commissions in regard to joint publications and follow-up to world conferences and summit meetings. At UNICEF, regional offices, in addition to acting as policy advisers to country teams, also act as conduits for transferring field experience back to headquarters.

Strengthening the regional presence

37. Steps are being taken to enhance the interlinkages among the regional commissions, and OIOS endorses these as facilitating stronger overall linkages. In particular, OIOS notes that the role of the regional commissions in the achievement of the Millennium Development Goals is discussed at the periodic meetings of the executive secretaries organized by the Regional Commissions New York Office, which facilitates the exchange of experience and best practice among the regions.

38. In addition to the regional commissions, other United Nations entities are increasingly utilizing regional offices. In Africa, the mandate of the Eastern African Regional Office of the Office of the United Nations High Commissioner for Human Rights covers five areas: partnering with ECA, strengthening the African Union human rights agenda, collaborating with country teams, participating in initiatives undertaken at the subregional level and advocating increased awareness of human rights issues. OIOS notes that this Office plays an important role in advocating and providing training on a human rights-based approach to poverty work. At the United Nations Population Fund, nine region-based country support teams provide strategic technical support and develop capacity at the regional and country levels. They also provide a field-based regional perspective and undertake knowledge-sharing at the

organizational and regional levels. At UNDP, greater regionalization is evident in the increasing decentralization of its functions.

39. Regarding intraregional harmonization, in order to strengthen and streamline the support provided by regional offices to country teams in 10 Southern African countries in response to the triple threat of food insecurity, HIV/AIDS and weakened capacity for governance, the Executive Committee of the United Nations Development Group initiated a regional directors team pilot project, located in Johannesburg, South Africa. The team, which will be initially chaired by UNDP and which comprises regional representatives and/or directors of seven United Nations entities, is charged with providing coherent, coordinated and efficient support to country teams, drawing upon the collective expertise and experience available at their respective regional offices, with a view to ensuring an effective United Nations response to the triple threat in the affected countries. An issue under discussion but so far not addressed is how to incorporate ECA into the model and how the pilot project should relate to the work of ECA on regional issues of relevance.

D. Stronger headquarters and field level coordination would facilitate more effective linkages

Coordination at headquarters

40. A common vision and agenda at either end of the headquarters/field transmission line are needed for effective linkages in relation to poverty eradication work. At the headquarters level, inter-agency coordination is required on normative, analytical and operational issues; however, OIOS noted that such coordination does not consistently occur. Each of the headquarters inter-agency bodies previously discussed (Chief Executives Board, United Nations Development Group and Executive Committee for Economic and Social Affairs) has a different perspective but all share common objectives. The Chief Executives Board and its structures deal with the overall policy framework which often impacts upon country-level operational activities, while the United Nations Development Group serves as an instrument for policy implementation. Given that all three address issues of relevance to poverty eradication, coordination among them is particularly important. While common membership is often cited as meeting the need for coordination, OIOS is of the view that this must be practically translated into substantive dialogue and exchange. A clearer delineation of responsibilities among these inter-agency bodies would also be helpful.

41. Despite the significant progress made in inter-agency coordination over the past decade, the autonomy of governing bodies in several United Nations entities can have a detrimental impact on linkages between headquarters and the field. This is especially true given the multiple dimensions of poverty. At the country level, for example, overlapping headquarters mandates often result in numerous agencies working in the same poverty sector (such as health); in addition to resulting in unnecessary duplication, this also means that other, more relevant dimensions of poverty eradication in the country may be insufficiently addressed. Field staff in one country allude to this by stating that the emphasis of other United Nations agencies on social issues in the country has resulted in insufficient attention being given to private sector development and enterprise. The 2004 report on the comprehensive policy review of operational activities states that agency mandates coming from

headquarters are likely to have more priority than inter-agency agreements made at the country level; it further states that inter-agency agreements reached at headquarters are not consistently interpreted at the country level (A/59/85-E/2004/68, para. 61). OIOS concludes that, ultimately, the success of common efforts made towards the broad goal of poverty eradication depends upon shared vision and commitment. A system-wide strategy is needed as a basis for mutually reinforcing and complementary actions between headquarters, between headquarters and the field, and within and among field offices.

42. Intra-agency coordination is also necessary in offices at headquarters in order for headquarters to function as a cohesive unit. One task of any headquarters is to coordinate field activities; another is to translate the policies and mandates of its governing body into directives and guidelines for regional and country offices. On cross-cutting issues such as poverty, it is important that all relevant units understand the agency's mandate so that they can contribute fully and in a coordinated manner towards its fulfilment. Similarly, it is desirable that directives and guidelines to regional and country offices pass through a filter so that the messages sent are mutually coherent, even if they emanate from different headquarters units. This point was raised by field staff from one resident agency with headquarters offices in both New York and Geneva, one concerned with field support and finances and the other with political matters. Despite this division of functions, field staff state that policy transmission and reporting lines are not always coherent. OIOS considers that appropriate management structures are needed to address this lack of coherence.

Coordination in the field

43. At the field level, the resident coordinator system is the primary United Nations mechanism for coordinating country-level activities and coordinating field activities with those at headquarters. While various frameworks and work tools for field level coordination have been established, OIOS observed that the effectiveness of the resident coordinator system depends on the capacity of the office to fulfil its field coordination role as well as the calibre of the country team and resident coordinator. The post requires thorough knowledge and understanding of the United Nations system and its complex interrelationships, which is particularly significant for establishing strong headquarters linkages. In attempting to bring about coordination and cohesion to various country-level activities of the United Nations, resident coordinators have limited managerial authority; they must rely on leadership qualities and the power of persuasion, as well as the support of their agencies' headquarters.

44. OIOS observed that the capacity of the resident coordinator system as a linkage mechanism needs strengthening. Effective coordination requires sufficient resources and working methods, including adequate support staff, regular and ad hoc meetings, local intranets and other communications systems, and training in team building. Many respondents emphasized the insufficient capacity of the resident coordinator system, in particular as regards its ability to coordinate effectively with headquarters. An OIOS analysis of the composition of country teams reveals that their size ranges from 2 to 31 members.[13] In a few countries, only UNDP is present, while in others, 22 agencies are represented. Clearly the

[13] The analysis was undertaken in October 2004.

requirements for the large teams, in terms of policies, procedures, working methods and linkages with headquarters, differ significantly from those for the small teams.

45. OIOS concludes that if the resident coordinator system is to work well as a linkage mechanism, all country team members must respond as part of the United Nations system to the overall mandate assigned by the General Assembly and the Economic and Social Council in the area of poverty eradication; in addition, they must respond to specific mandates from their own executive bodies. Mandates are invariably broadly compatible, but these are occasions when the priorities and the financial resources attached to them are at odds. Multiple agencies can be engaged in projects related to improving health conditions at the country level (such as establishing rural health centres or working to reduce infant mortality), but their activities must be aligned around common goals and strategies if they are to be most effective. OIOS noted that, in one country, 11 agencies are involved in the same social service sector. Feedback from the OIOS resident coordinator survey alludes to this problem. One third of resident coordinators indicate that there is no agreed-upon division of labour among country team members in regard to poverty activities; one fourth report unnecessary duplication of effort among the various agencies in the country. For example, the resident coordinator in one country states that there is overlap in the good governance projects engaged in by several agencies working with the same subnational unit or governmental agency. Strengthened coordination and linkages within headquarters entities, as well as between these entities and their field offices, would alleviate these problems by addressing unnecessary duplication.

E. Effective linkages between headquarters and the field need to be supported by clear and systematic management practices, work tools and communication strategies

Management practices

46. Management practices in regard to administration and human resources are necessary for effective linkages. Currently, not all practices adequately meet the coordination needs of multilevel functions. Concerns about the effectiveness of management policies, including the lack of sufficient training, were common among OIOS respondents. At present, there is no system-wide training programme on coordination practices and tools, particularly for headquarters staff.[14] Nor is there training that specifically promotes headquarters/field knowledge-sharing in relation to common activities of relevance to poverty. OIOS notes, however, that the United Nations System Staff College has various training programmes, including training in joint programming and the common country assessment and UNDAF, and an inter-agency simulation game to promote coordination among agencies. The United Nations Development Group, together with the Staff College, has a programme for training country teams and regional staff in coordination tools. Notwithstanding this, most resident coordinators report not having adequate training, including on such topics as best practices. OIOS encourages the provision of training for regional staff and country teams such as that conducted by the Office of the United Nations

[14] Although training in team building is offered by the Office of Human Resources Management, it is typically conducted within individual work units of the same entity.

Development Group, which includes training in specific tools, team building and quality assurance.

47. While administrative tools should foster linkages between headquarters and the field, they may also hamper linkages. OIOS noted several examples of this, including field staff using two different financial reporting systems because of a field level partnership between different agencies and the inability of field managers to hire personnel promptly in response to a humanitarian crisis owing to a lengthy hiring process handled exclusively by headquarters. Field disruptions are also caused at times by delays in obtaining budget allotments from headquarters.

48. Finally, regarding performance appraisal, there must be an incentive system to promote interaction, collaboration and linked activities. A common view was that it is always easier not to link or coordinate and that as long as there is no serious performance system linked to the issue of cooperation and linking there will never be a harmonized United Nations system. Management must recognize that coordination is a time-consuming but vital job requirement of country representatives and reward it accordingly. Individual performance appraisals, for headquarters and field staff, must consistently and uniformly address and recognize the ability and willingness of an individual to work effectively as a fully functioning team member.[15] OIOS supports the integrated system for accountability and performance appraisal of resident coordinators and country teams being developed by the United Nations Development Group.

Work tools

49. Work tools are the means through which linkages happen, and OIOS observed a tendency to rely on tools that require personal interaction, such as meetings and workshops, rather than systemic tools such as knowledge management networks. In particular, most respondents to the OIOS survey reported that meetings and workshops deliver the best results. Despite this preference, however, meetings and workshops are also most commonly cited by respondents as requiring the most improvement. This suggests a need for developing and disseminating more effective meeting protocols.

50. Other effective tools for headquarters/field linkage include joint training, common programme planning and multi-agency missions. It is important that joint training incorporate both policy papers and case studies to ensure that headquarters and field perspectives are considered. Joint programme planning, while more likely to occur within headquarters and field entities, is less likely to occur between the two levels. OIOS is of the view that more consultation on future work programmes would strengthen linkages; for example, such consultation could occur among the units of the Department of Economic and Social Affairs and the regional commissions that deal with similar subject matters.

Communication strategies

51. Effective communication strategies provide an opportunity to institutionalize linkages so that there is less reliance on personal connections. OIOS observed that currently there are few system-wide information networks, except in such areas as humanitarian assistance; at the Chief Executives Board retreat in October 2004,

[15] Team work is one of the core competencies of the current performance appraisal system.

senior management recognized that such systems are crucial to enhancing system-wide, coordinated engagement and support. Another common concern observed by OIOS is that of information overload: there is a need to strike a balance between too much and too little information by taking a more strategic approach and prioritizing the information shared.

52. Currently, there are limitations in the headquarters/field communication processes. At the headquarters level, the Department of Public Information is concerned with communicating with an external audience, but there are few strategies for internal communications that specifically address headquarters/field functions. OIOS also noted that the Office of the United Nations Development Group had started to develop its own communication strategy only in 2004. At the field level, resident coordinators are responsible for coordinating communications, based on the priorities established at headquarters. All new resident coordinators are given a day of training in communication skills during their induction workshop; however, support beyond this is more limited. A further concern of field staff is inadequate feedback from headquarters on field reporting.

53. Crucial to communication is the dissemination of best practices. Current institutional mechanisms for feedback on lessons learned are limited, with each agency adopting its own approach. For poverty eradication, the dissemination of best practices is particularly significant given the extensive research on poverty. This emphasizes the need for the effective dissemination of information so that viable solutions are promoted and failed policies identified. Currently, the main United Nations entity for sharing best practices in poverty eradication is UNDP. Regional offices, including the regional commissions, must also fully realize their potential to disseminate regional best practices in poverty eradication through their websites and publications.

F. Best practices address weaknesses in linkages between headquarters and the field

54. OIOS concludes that best practice linkages facilitate coordination, collaboration and synergy among headquarters, regional and field offices and tap into the collective capacity of the Organization to foster the success of poverty eradication activities. OIOS determined that the factors contributing to strong linkages are: strong communication; ongoing feedback; systematic sharing of information, research and data; a combination of personal and institutional networks; a common understanding of objectives, priorities and strategies; and mutual trust. OIOS noted several current best practices for effective linkages.

Utilizing knowledge management networks to transmit guidelines, knowledge and expertise between headquarters and field offices

55. Knowledge management networks have increasingly enhanced linkages between headquarters and the field. In particular, UNDP maintains numerous knowledge management networks around six communities of practice.[16] Of greatest relevance for poverty eradication are the Millennium Development Goal Network

[16] UNDP uses the term "community of practice" to refer to a broad thematic area, such as poverty, in which multiple actors are engaged.

(MDGNetwork), open to all participants, and the poverty network, restricted to UNDP staff. In the knowledge management field, it is generally agreed that these networks should be moderated and managed by a facilitator. The utility of the networks also depends on the timeliness of responses. Recently, MDGNetwork was used by staff of the International Labour Organization in Sri Lanka following the South Asian tsunami disaster. Within two days of posting a request for information on conducting a rapid needs assessment, 12 replies had been received offering specific studies, methodologies and instruments.

56. Electronic networks can be used to share knowledge and experience, to formulate and transmit policy and guidance and to obtain expert feedback. Two recent examples illustrate the effective use of these networks. First, in 2004, following the release of the Millennium Project draft report on achieving the Millennium Development Goals, a discussion was launched on the poverty network, focusing on the input of UNDP in establishing Goal-based poverty reduction strategies. Second, a discussion launched by the Bureau for Development Policy of UNDP on MDGNetwork aimed at sharing concrete experiences with regard to initiatives for localizing the Millennium Development Goals and identifying gaps for further research. The discussion's introduction stated that its outcome would be a guidance note for localizing the Goals, based on feedback from headquarters and the field.

57. OIOS is aware that knowledge management networks have their limitations. One is language, which can restrict participation.[17] Another is that networks are not the definitive source of information for questions raised. Further, the massive inflow of messages from multiple sources can be so great that subscribers do not read them, highlighting the need for a more strategic approach to structured knowledge-sharing. Perhaps most significantly, access to the networks must be broadened. Currently, approximately 60 per cent of subscribers to MDGNet are UNDP staff (most at field offices), and the rest are from some 55 different United Nations entities as well as other groups. Based on OIOS survey results, field staff are more likely than headquarters staff to rely on knowledge management networks as a linkage tool.

Forming inter-agency partnerships and promoting regular networking and consultations around poverty dimensions

58. Inter-agency partnerships can be a successful medium for pooling headquarters and field level expertise, experience and resources in regard to poverty eradication issues. OIOS noted several such examples which are significant in that they revolve around thematic poverty dimensions rather than individual projects and include headquarters, regional and field level participation. The Rio Group on Poverty Statistics (of which ECLAC is the technical secretariat) is an inter-agency group that brings together the experience and concerns of the various organizations working on the measurement, interpretation and use of poverty statistics. The Global Partnership on Forest Landscape Restoration is an inter-agency partnership bringing together a broad range of expertise and perspectives on sustainable forest management. The secretariat of the United Nations Forum on Forests in the Department of Economic and Social Affairs and the Food and Agriculture Organization of the United Nations (FAO) are among its partners; one of its projects in Senegal involved a group of

[17] Both the poverty network and MDGNetwork provide translations of consolidated responses.

village women restoring their degraded environment and thereby improving their livelihoods. This partnership illustrates an effective collaboration between an entity with no field presence (United Nations Forum on Forests) and one with a field presence (FAO). FAO also partnered the United Nations Environment Programme (UNEP) and the International Center for Tropical Agriculture in connection with the poverty mapping initiative, which produces and promotes the use of poverty maps. Finally, UN Water is the United Nations system-wide inter-agency mechanism for follow-up to the water-related decisions of the World Summit on Sustainable Development and the Millennium Development Goals. UN Water works at the global, regional and country levels to ensure coherence and integration among member agencies.

59. Regular networking and consultations among agencies, incorporating headquarters and field perspectives, also create strong linkages. The Department of Economic and Social Affairs, for example, links on a regular basis with UNEP, UN-Habitat and UNDP in preparing for meetings of the Commission on Sustainable Development. These consultations provide important perspectives on environmental, human settlement and other sustainable development issues. The Department also regularly consults with UN-Habitat and the International Labour Organization on youth employment matters, which are also of relevance to poverty eradication.

Utilizing websites and other electronic forums to disseminate best practices and lessons learned in regard to poverty eradication activities at the headquarters and field levels

60. Websites have the potential to effectively disseminate knowledge and best practices within and between headquarters and field entities, and agencies typically use their respective intranets as another means of linking their headquarters and field offices. OIOS noted three websites as good examples for poverty eradication.[18] The first is the website of the Division of Sustainable Development of the Department of Economic and Social Affairs, discussed in a OIOS report issued in 2004 in which OIOS stated that the website is comprehensive, easy to navigate, current and rated highly by users (E/AC.51/2004/4, para. 24). The second is the website of the Statistical Division of the Department, which contains a Millennium indicators database and relevant publications on issues related to poverty statistics. The third is the website of the United Nations Development Group, which contains, among other features, useful information on work tools, publications and best practices.

61. The regional commissions also maintain websites. A review of these reveals variability in case of navigation, content, web search limitations (language and technical) and contact information, as well as in the availability of statistical information. Only one contained specific information on best practices in the area of poverty eradication. Despite this variability, these websites can be utilized to publicize regional publications on poverty issues, as well as regional best practices for poverty eradication activities.

[18] Other programme websites are also relevant to poverty-related topics. The three websites discussed in the present report are http://www.un.org/esa/sustdev, http://unstats.un.org and http://www.undg.org.

62. Other electronic forums are being used to share information on poverty eradication activities. UNDP recently launched the Poverty Reduction Practice Workspace, an electronic forum for resources, lessons learned, tools and research on poverty. The forum can be accessed only through the UNDP Intranet. In addition, the regional commissions have recently established a web board to strengthen interregional cooperation and provide the necessary tools for the more effective exchange of information on programmes, projects and activities of common interest. Topics currently being discussed include water resource management and trade. However, the web board is accessible only to regional commission staff. Also, the Executive Committee for Economic and Social Affairs recently launched a website on economic and social development, organized according to 11 thematic clusters.

Strengthening the resident coordinator system to link more effectively with headquarters

63. It is commonly acknowledged that the resident coordinator system must be strengthened. The United Nations system will carry more weight with Governments and donors when it is seen to speak and act consistently through a strengthened resident coordinator system. To achieve this, country teams should be given adequate resources for staff support for common initiatives and actions, access to knowledge and experience, and training in interpersonal and communication skills. Several initiatives are being undertaken by the Office of the United Nations Development Group to strengthen the resident coordinator system. These include enhancing the resident coordinator and country team selection and appraisal processes, revising the job description of resident coordinator to take into account the system-wide representational role, and assigning more responsibility to the resident coordinator in regard to programme matters, including authority to design and implement UNDAF. OIOS notes that any initiatives to strengthen the resident coordinator system must also address the need to increase its capacity to link effectively with headquarters entities.

Promoting country team best practices for linking with headquarters

64. OIOS noted several country team best practices for working together more cohesively as a unit and for linking with headquarters. These include holding well-prepared and structured monthly country team meetings, conducting facilitated off-site country team retreats and participating in joint programming, all of which foster knowledge-sharing and build an esprit de corps. Of particular note is the orientation of country team work programmes towards the achievement of UNDAF goals through the formation of inter-agency working groups around thematic issues, such as gender and health (particularly within the context of Millennium Development Goal needs assessments). A further good practice is strengthening the working relationships between country teams and donors, for example, by establishing donor assistance groups.

65. OIOS observed that a commitment to working together and a common vision of mission and purpose greatly enhance country team coordination. Such an environment depends on the leadership abilities of the resident coordinator, the willingness of the team members to be part of a cohesive group and their ability to think and work beyond agency boundaries. While much can be achieved by a well-functioning and motivated country team whose members collaborate and interact well, it is equally important that country teams are guided and provided at the

headquarters level with substantive and coordinated policy and administrative support.

V. Conclusion and recommendations

66. **In adopting the United Nations Millennium Declaration, Member States of the United Nations committed themselves to fighting poverty. Given its multifaceted nature, poverty must be tackled with a comprehensive, multisectoral and coordinated approach, of which effective linkages between headquarters and the field are a crucial component. The complementary normative, analytical and operational roles of the headquarters/field paradigm must be fully empowered to best utilize the cumulative expertise and knowledge in the United Nations system. Periodic assessments should also be undertaken to see how linkages can be improved.**

67. **The current complex system of linkages is not conducive to effective and efficient collaboration between headquarters and the field. This is due to a multitude of factors: a wide diversity of mandates, perspectives, roles and activities in regard to poverty eradication; transmission lines that are often dependent on personal relationships and ad hoc agreements; and linkage structures that are multidimensional and multidirectional. One of the biggest challenges with regard to linkages between headquarters and the field is the lack of a field presence by several agencies engaged in poverty work and the need more fully to inform field staff of the activities, knowledge and expertise available at these agencies.**

68. **Effective linkages are also dependent upon coordination at headquarters and in the field, as well as well-integrated regional entities. At the headquarters level, both inter- and intra-agency coordination must ensure that a common strategy and agenda for poverty eradication is transmitted to the field. At the regional level, more must be done to fully integrate regional offices, in particular the regional commissions, into poverty eradication activities. At the field level, the capacity of the resident coordinator system must be strengthened not only to coordinate country-level activities but also to effectively coordinate efforts with headquarters. Linkages must also be supported by management practices and work tools which facilitate interaction, collaboration and joint activities.**

69. **Several best practices for linkages between headquarters and the field foster the success of poverty eradication work. These include the effective use of knowledge management networks, the establishment of inter-agency partnerships around thematic dimensions of poverty, informative websites and other electronic forums, and a strong resident coordinator system and country team practices that promote effective coordination with headquarters entities.**

70. **At its forty-fourth session, the Committee for Programme and Coordination requested OIOS to include, in future in-depth and thematic evaluations, "a brief section on questions in which intergovernmental guidance**

and follow-up, by the Committee or other appropriate intergovernmental bodies, would be useful".[19] In reflecting on the recommendations below, the Committee may wish to consider ways in which to promote and enhance system-wide coordination for poverty eradication, with a particular focus on the operational issue of linkages between headquarters and the field. This is particularly relevant given the Millennium Summit planned for September 2005.

71. **Based on these findings, OIOS makes the nine recommendations set out below. These recommendations are complementary to those adopted by the General Assembly in resolution 59/250 on the triennial comprehensive policy review of operational activities for development and to the work programme and ongoing initiatives of the Chief Executives Board. Given the call for greater harmonization within the United Nations and that no single part of the Organization can work in isolation, several recommendations call for system-wide action.**

A. Inter-agency coordination

Recommendation 1
Enhance collaboration among inter-agency coordinating bodies

72. **The Secretary-General should appoint a working group to consider the respective roles, responsibilities and contributions of the Chief Executives Board, the United Nations Development Group and the Executive Committee for Economic and Social Affairs, as well as practical measures to enhance their coordination and collaboration in regard to common policy issues that are of relevance to poverty eradication, with a view to bringing the United Nations system closer together analytically and operationally. OIOS notes with satisfaction the invitation extended by the Chairman of the United Nations Development Group to the Chairman of the High-Level Committee on Programmes of the Chief Executives Board to participate in meetings of the Group's Executive Committee, as well as the establishment of a task force to review the implications of General Assembly resolution 59/250 with a view to identifying concrete ways for the Committee and the Group to complement each other's work.**

B. Information-sharing

Recommendation 2
Introduce a more structured, facilitated and strategic approach to system-wide knowledge management networks

73. **Knowledge management networks should be effectively utilized to enhance the sharing of information and expertise in the United Nations. Two ways of achieving this are to broaden membership of existing networks and to create new system-wide communities of practices around poverty eradication issues. In particular, participation in the poverty network currently**

[19] *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 16* (A/59/16), para. 383.

administered by UNDP should be open to all staff engaged in poverty work in the United Nations system. Information shared through networks must be prioritized to safeguard users from information overload. This could involve the consolidation of existing networks, as well as the creation of a continuum of users linked through overlapping memberships. OIOS considers that the United Nations Development Group, in consultation with UNDP and the Chief Executives Board, is in the best position to take the lead in steering this process. The current work of the Board and the Information and Communication Technology (ICT) Network on developing a vision for system-wide knowledge-sharing should be considered in this effort.

Recommendation 3
Better inform country offices about the work of Secretariat entities with little or no country presence

74. **It is recommended that:**

(a) **The United Nations Development Group, in consultation with the High-Level Committee on Programmes of the Chief Executives Board (which gives regular consideration to keeping country-level offices informed and to promoting the flow of information between headquarters and regional offices as part of its work programme), should determine how country teams can be better informed about the activities of non-resident agencies whose expertise and comparative advantage are relevant to national poverty eradication priorities, and how to increase collaboration between country teams and these agencies, including though inter-agency partnerships and through work on joint projects and programmes. The United Nations Development Group should also consider how country teams can be more proactive in involving the regional commissions and other regional entities in the preparation of common country assessments and United Nations development assistance frameworks;**

(b) **The Department of Economic and Social Affairs should determine practical ways of informing country offices about its poverty-related activities, including through strategic field missions and periodic news bulletins targeted to country teams.**

Recommendation 4
Establish mechanisms for the regular exchange of information between the regional commissions and country offices

75. **The regional commissions should enhance their capacity to inform systematically and work together with country offices on areas of mutual interest in regard to poverty eradication activities and establish clear guidelines on how this exchange would work. This can include, on a regular basis, publication of newsletters, electronic bulletins, briefings with country teams in their respective regions and/or participation in the common country assessment and UNDAF processes. The regional commissions should also consider how to strengthen their websites as platforms for the exchange of regional best practices and lessons learned. The Regional Commissions New York Office should serve as a focal point in this regard.**

Recommendation 5
Review management and administrative procedures in order to foster effective linkages

76. **The High-Level Committee on Management of the Chief Executives Board should assume the leadership in establishing guidelines for secretariat departments to review their management and administrative procedures so as to ensure that they do not hamper linkages between headquarters and field offices. On a broader level, the review should examine linkage structures to make certain that communication is clear and consistent in the headquarters/field transmission line. At the working level, the review should include an assessment of work planning processes, reporting lines, budget protocols and personnel practices.**

C. Management practices

Recommendation 6
Establish system-wide training on common coordination methods and tools and on thematic poverty issues

77. **It is recommended that:**

(a) **The High-Level Committee on Management of the Chief Executives Board, in consultation with the United Nations Development Group and the Governing Board of the United Nations System Staff College, should assume the leadership in promoting system-wide training that addresses the methods and tools through which to achieve effective coordination, taking into account the needs of inter-agency collaboration and communication. The training offered by the Staff College, as well as the coordination training for country teams and regional staff currently conducted by the Office of the United Nations Development Group, can be considered for system-wide training and particularly encompass both headquarters and field staff. The training should disseminate common protocols for meetings and teleconferences in order to enhance their effectiveness as linkage tools;**

(b) **System-wide training on thematic issues of relevance to poverty eradication should also be explored with a view to involving both headquarters and field staff in order to exchange best practices and enhance awareness of how their work fits into the overall poverty eradication activities of the United Nations system.**

Recommendation 7
Incorporate coordination and collaboration in performance appraisals and incentives

78. **The High-Level Committee on Management of the Chief Executives Board should encourage and coordinate efforts by secretariat departments to systematically and consistently incorporate the job elements of coordination and collaboration for all staff, beyond the more general managerial competencies of "building partnerships" and "communication", into individual performance appraisal systems, including by establishing common indicators of success. Incentives for working on joint activities should also be explored.**

Recommendation 8
Encourage staff secondments between headquarters and field offices

79. **The High-Level Committee on Management of the Chief Executives Board, in consultation with the United Nations Development Group, should promote staff secondments between headquarters and field offices to encourage learning and an appreciation of their complementary roles and functions. OIOS notes that, in April 2004, the Chief Executives Board approved a policy statement on staff mobility, in which it stated that the executive heads would actively promote inter-agency mobility.**

D. Resident coordinator system

Recommendation 9
Further strengthen the capacity of the resident coordinator system as a linkage tool

80. **OIOS fully supports the recent efforts of the United Nations Development Group to strengthen the resident coordinator system and enhance the capacity of the offices of the resident coordinators to effectively bring about coordination and cohesion in the various activities of the United Nations system at the country level. OIOS takes note of General Assembly resolution 59/250, in which the Assembly urged the broader United Nations system to provide further financial, technical and organizational support to the resident coordinator system. In its efforts to strengthen the resident coordinator system, the United Nations Development Group should pay particular attention to the capacity of the resident coordinator system to link effectively with headquarters offices and report to the Chief Executives Board on the progress made in that regard.**

(*Signed*) Dileep **Nair**
Under-Secretary-General for Internal Oversight Services

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Programme questions: evaluation

In-depth evaluation of the United Nations Human Settlements Programme (UN-Habitat)

Note by the Secretary-General

In conformity with General Assembly resolutions 48/218 B of 29 July 1994, 54/244 of 23 December 1999 and 59/272 of 23 December 2004, the Secretary-General has the honour to transmit herewith the report of the Office of Internal Oversight Services on the in-depth evaluation of the United Nations Human Settlements Programme (UN-Habitat).

* E/AC.51/2005/1.

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Report of the Office of Internal Oversight Services on the in-depth evaluation of the United Nations Human Settlements Programme (UN-Habitat)

Summary

The present report reviews the achievements and shortcomings of the United Nations Human Settlements Programme (UN-Habitat), headquartered in Nairobi. Since its creation in 1977, the programme has responded to a very broad legislative mandate by developing a comprehensive set of normative, analytical and operational activities. In January 2002, in response to General Assembly resolution 56/206 and in recognition of its increased function and responsibilities, the United Nations Centre for Human Settlements (Habitat) was transformed into the secretariat of UN-Habitat, reporting to its Governing Council, a subsidiary organ of the General Assembly.

There is general agreement that the Global Campaign on Urban Governance and the Global Campaign for Secure Tenure have raised awareness of the norms of good urban governance and secure tenure and have led to changes at the policy and institutional levels in the countries in which campaigns were launched. The main challenges in the effective promotion of the campaigns have been the lack of clearly articulated strategies and plans and the financial constraints faced.

The monitoring function of UN-Habitat has expanded beyond the compilation of statistics on human settlements to include urban indicators to monitor the Millennium Development Goals of improving the lives of slum-dwellers, and there are ongoing discussions in regard to strengthening the partnership between UN-Habitat and the World Bank. Based on a recent evaluation commissioned by UN-Habitat, its flagship reports are reviewed positively. Nonetheless, the Office of Internal Oversight Services (OIOS) concurs with the evaluators' recommendation to streamline the number of reports in order to maintain quality and avoid duplication. The Monitoring and Research Division has identified gaps in its research agenda and there is a need to establish clearer priorities and provide guidance to the network of academic and research institutions which was established to assist UN-Habitat in its analytical work. The Best Practices and Local Leadership Programme, an international award programme, is well regarded but can be better integrated into the UN-Habitat work programme.

Within the Regional and Technical Cooperation Division, three regional offices manage a large portfolio of technical cooperation projects. Their shortage of funds will need to be addressed in the context of the overall fund-raising of UN-Habitat. OIOS found that, despite some capacity and security constraints and, in some cases unrealistic time frames, clients were satisfied with the products, and the projects have contributed to introducing new norms and policies at the national and local levels. There are many admirable examples of scaling up in the operational aspects of the global programmes and other initiatives. However, a number of pilot projects rarely lead to large programmes capable of reversing the growth of slum settlements. UN-Habitat recently established a subprogramme which focuses on resource mobilization for investment in human settlements.

An important achievement is the fourfold increase in bilateral extrabudgetary contributions to UN-Habitat; another is the initial efforts to develop innovative approaches to financing. The following concerns, however, persist: (a) the substantial proportion of contributions that are bilateral governmental contributions, and (b) the dependency on a small number of donors. Despite the recent establishment of subprogramme 4, on human settlements financing, OIOS notes that there is a lack of clarity as to who is responsible for the coordination and raising of funds for the various programmes and activities.

Partners and stakeholders have expressed their appreciation of the work of the Executive Director. However, senior management needs to strengthen its strategies in specific areas and focus on a few critical activities. The continued absence of a full-time Deputy Executive Director needs to be addressed. The support provided to the Committee of Permanent Representatives and the Governing Council of UN-Habitat could be further strengthened by reassigning some of the responsibilities currently performed by the secretariat of the Governing Council. The strengthening of the outreach and information activities has had positive results in raising the profile of the Programme. Despite initiatives to strengthen the monitoring and evaluation functions, the problem of capacity and funding persists.

Recommendations are made to: (a) further sharpen the focus of UN-Habitat; (b) improve the planning, management and funding of the campaigns; (c) mainstream housing rights; (d) consolidate flagship reports; (e) eliminate gaps in research; (f) enhance the integration of the Best Practices and Local Leadership Programme into the work programme of UN-Habitat; (g) evaluate the role and effectiveness of UN-Habitat programme managers; (h) ensure that relevant pilot projects involving direct assistance to slum upgrading are designed to scale up; (i) ensure the early involvement of human settlements experts in post-conflict and disaster assessment and reconstruction; (j) improve the coordination of fund-raising activities; (k) strengthening of secretariat support to Member States; and (l) strengthening of the capacity of the Evaluation and Monitoring Unit in its analytical work.

I. Introduction

A. Mandate and methodology

1. The Committee for Programme and Coordination, at its forty-second session, decided that an in-depth evaluation by the Office of Internal Oversight Services (OIOS) of the United Nations Human Settlements Programme (UN-Habitat) should be submitted to the Committee at its forty-fifth session.[1] The present report has been reviewed by the relevant programmes and offices. Their comments appear in italics, as appropriate.

2. The in-depth evaluation reviewed all activities of the UN-Habitat, focusing on programme 11 of the medium-term plan for the period 2002-2005[2] and its objectives of: (a) improving the shelter conditions of the world's poor and ensuring sustainable human settlements development; (b) ensuring that the implementation of the Habitat Agenda is effectively monitored and assessed; (c) strengthening organizational and technical capacity primarily at the national level and also at the local levels for the formulation and implementation of policies, strategies and programmes; and (d) increasing funds from international and domestic sources in support of shelter, related infrastructure development programmes and housing finance institutions and mechanisms, particularly in developing countries.

3. In the conduct of the evaluation, OIOS reviewed official and internal United Nations documents, internal and external assessments and evaluations, and conducted surveys and structured interviews with management and staff of UN-Habitat, Secretariat departments and other stakeholders.

B. Organization of the programme

4. The United Nations Centre for Human Settlements (Habitat) was established by the General Assembly in its resolution 32/162 (III) of 19 December 1977. In 2001, responding to the request of the General Assembly, the Secretary-General proposed upgrading the Centre to a programme, based on the following rationale: (a) recognition of its increased function and responsibilities; (b) giving higher visibility to human settlements issues; (c) opening up new opportunities for resource mobilization; and (d) achieving more productive and effective collaboration with other agencies (A/56/618, para. 31). The General Assembly, by resolution 56/206 of 21 December 2001, approved the proposal of the Secretary-General, with effect from 1 January 2002. The United Nations Human Settlements Programme, known as UN-Habitat, is headed by an Executive Director at the Under-Secretary-General level, responsible to the Secretary-General.

5. Currently, UN-Habitat consists of four subprogrammes: (a) shelter and sustainable human settlements development; (b) monitoring the Habitat Agenda; (c) regional and technical cooperation; and (d) human settlements financing. Two former subprogrammes, on adequate shelter for all and sustainable human settlements development, were merged into the first of the aforementioned

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[1] *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 16* (A/57/16), para. 259.

[2] Ibid., *Supplement No. 6* (A/57/6/Rev.1 and Corr.1).

subprogrammes in order to better integrate shelter into human settlements development and to strengthen the relationship between the two global campaigns (see below). The Monitoring and Research Division was established in 2002 to strengthen the capacity of the UN-Habitat secretariat to assist and provide substantive support to the Governing Council in monitoring and assessing the progress made in the implementation of the Habitat Agenda. An organizational chart of UN-Habitat appears in the annex to the present report.

II. Advocacy of norms

A. Background

6. In 1999, UN-Habitat adopted a strategic vision that sought to balance normative and operational activities. The principles and norms advocated by UN-Habitat evolved from the outcomes of major international conferences and summit meetings on shelter and sustainable development and international human rights covenants and instruments — primarily, the Habitat Agenda, the United Nations Millennium Declaration, the Declaration on Cities and other Human Settlements in the new Millennium (2001) and the World Summit on Sustainable Development.

B. UN-Habitat global campaigns

7. UN-Habitat is engaged in two global campaigns — the Global Campaign on Urban Governance and the Global Campaign for Secure Tenure. The former, launched in 2000, is based on the Habitat Agenda, which recognized the importance of good governance and aimed to foster transparent, responsible, accountable, just and efficient urban governance. The latter, also launched in 2000, is rooted in international covenants and conventions on human rights, in particular the International Covenant on Economic, Social and Cultural Rights, and the Habitat Agenda. Article 11 of the Covenant recognizes that housing is an essential element of the right of everyone to an adequate standard of living. In the Habitat Agenda, Governments recognize that they have "a responsibility in the shelter sector" and that they "should take appropriate action in order to promote, protect and ensure the full and progressive realization of the right to adequate housing."[3] This includes slum upgrading, access to services and credit, the gender dimension of tenure rights and the strengthening of social organizations.

1. Awareness-raising

8. External evaluation of the two campaigns in 2004 found that they raised the profile of selected issues, brought together different stakeholders, encouraged socio-political mobilization and should be viewed as ongoing, long-term, open-ended processes. The organizational framework established by UN-Habitat at the local, national and global levels and the preparatory work for the campaigns play a key role in the dissemination of campaign norms through the active participation of civil society in normative debates. Over the past four years, campaigns have been

[3] *Report of the United Nations Conference on Human Settlements (Habitat II), Istanbul, 3-14 June 1996* (United Nations publication, Sales No. E.97.IV.6), chap. I, resolution 1, annex II, para. 61.

launched in 10 countries, and joint activities between the Urban Development Branch, responsible for the Global Campaign on Urban Governance, and the Shelter Branch, responsible for the Global Campaign for Secure Tenure, were conducted in five of them.

9. The norms of good urban governance and secure tenure have also been disseminated through various publications and documents produced in collaboration with other UN-Habitat units. There are handbooks on how to increase participation and transparency in urban decision-making, participatory budgeting, security of tenure and access to land, pro-poor land management, and guidelines on how to undertake a national campaign for secure tenure. Several casebooks have been developed, including *Lessons Learned in Implementing the Habitat Agenda and Sustainable Urbanization: Bridging the Green and Brown Agendas*. The publication of the casebooks, which were widely disseminated but are currently out of print, coincided with the twenty-fifth special session of the General Assembly, convened in 2001 to review and appraise the implementation of the Habitat Agenda, and the World Summit on Sustainable Development in 2002. These resources have been used for training and capacity-building in various countries, and some have been adapted to the local context.

2. Policy changes

10. OIOS noted the following outcomes of campaign activities: (a) adoption of legal instruments and policies granting land; (b) strengthening of security of tenure and regularization of informal settlements; (c) integration of slum upgrading into city management; and (d) actual slum upgrading through access to land and financing mechanisms. Campaigns also addressed the scope and scale of forced evictions of the poor, which have raised widespread concern. The Advisory Group on Forced Evictions monitors and identifies and, if so requested, promotes alternatives to unlawful evictions and where possible, facilitates a process of negotiated relocation. The Advisory Group is currently working on its first report to the Executive Director, documenting cases of pending or ongoing eviction.

11. To persuade Governments to adopt policies that are consistent with the norms of good urban governance and secure tenure, the UN-Habitat leadership has focused primarily on influencing the debate in regional ministerial councils and organizations. In Latin America, UN-Habitat has participated in meetings of a ministerial council for housing. In Africa, UN-Habitat has conducted political advocacy by working through the African Union, and has participated in the launching of the African Ministerial Conference on Housing and Urban Development early in 2005. The Executive Director stated that her appointment as a Commissioner to the Commission for Africa, an initiative of the Prime Minister of the United Kingdom of Great Britain and Northern Ireland to provide a coherent set of policies to accelerate progress towards a strong and prosperous Africa, has given her yet another platform from which to promote UN-Habitat norms.

12. On the basis of field interviews in Kenya and South Africa, OIOS found that, following political reform in those two countries, the respective Governments adopted pro-poor housing policies which in turn allowed UN-Habitat to provide assistance on normative issues and institutional reform.

3. Challenges

13. OIOS notes that the main challenge to the effectiveness of the campaigns has been the inadequacy of planning, both globally and at the country level, and resource constraints. Globally, there is an absence of a clear strategy outlining where the campaigns should be launched based on the needs and opportunities offered by the local political context. At the country level, the campaign action plans were frequently not properly targeted towards obtaining the necessary support of policymakers and governmental institutions and translating that support into tangible changes in the conditions of poor urban-dwellers. Campaign time frames were often unrealistic and there was ineffective mobilization of local resources. Resource constraints have limited the coverage of the global campaigns, which to date has been extended to 10 countries.

14. Learning lessons from initial experience, UN-Habitat envisages adopting a more strategic approach to programming to ensure a closer linkage between the adoption of the relevant norms at the local and national levels and the achievement of concrete results and improvements in the lives of urban-dwellers. Tangible steps taken in this direction are the slum upgrading initiatives in Eastern Africa, including the Kenya slum upgrading programme. This approach should be emulated elsewhere.

15. Over the period 2003-2004, the level of funds raised for the two campaigns was $1 million, provided mainly by four donor countries. Concerned about the low level of funds, the Executive Director appealed to Member States in July 2003 for more robust financial and technical support to implement action plans, to respond to capacity-building requests and to promote changes in policies and legislation. The OIOS assessment is that the absence of a clear strategy identifying the countries and/or cities in which the campaign should take place, the presence within these countries of the conditions necessary for its success and the costing-out of its various phases deprives potential donors of relevant data and inhibits resource mobilization.

C. Horizontal collaboration

16. Collaboration between the two organizational units responsible for the two global campaigns and with other entities at UN-Habitat has varied considerably. For example, the urban governance norms provide the framework for designing operational activities and the regional offices provide input to the Urban Governance Section regarding the planning of the campaigns. The Water, Sanitation and Infrastructure Branch has integrated norms of good urban governance into its activities related to water education and management. Staff members involved in the Sustainable Cities Programme in the Urban Development Branch participated in the campaigns in the Philippines and Brazil. While some units have integrated norms, particularly those related to the Global Campaign on Urban Governance, into an expansive range of programme activities, there are several instances in which opportunities have been missed. This can be attributed both to the lack of strategic direction from programme managers and to lingering perceptions of some UN-Habitat staff that the global campaigns do not provide the driving and organizational framework for all UN-Habitat activities, but that they are just another activity competing for scarce resources.

D. Collaboration with the Office of the United Nations High Commissioner for Human Rights

17. The United Nations Housing Rights Programme was established in 2002, as a joint initiative by UN-Habitat and the Office of the United Nations High Commissioner for Human Rights (OHCHR) in response to Commission on Human Settlements resolution 16/7.[4] The objective of the Programme is to assist Member States and other stakeholders in the implementation of the Habitat Agenda, in particular paragraph 61, in regard to ensuring the full and progressive realization of the right to adequate housing, as provided for in international instruments. In a report on the implementation of the first phase of the Programme (2002-2004), it was stressed that, despite the lack of resources, the Programme was able to deliver concrete outputs. Further work is, however, required in terms of documenting the variety of national legislation on housing rights; only then will it be possible for the Programme to develop comprehensive and practical guidelines for legislative reform to promote housing rights. It was also found that at UN-Habitat there seems to be limited understanding of what a rights-based approach to housing for all and sustainable human settlements development implies and that this challenge must be addressed by senior management of UN-Habitat and OHCHR. Based on the above finding, OIOS is of the view that UN-Habitat should set up a task force on mainstreaming housing rights in all of its activities.

18. UN-Habitat collaborates with the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, appointed in 2000 by the Commission on Human Rights, whose mandate is to report on the realization of housing rights throughout the world, in particular within the framework of the Global Campaign for Secure Tenure and the United Nations Housing Rights Programme. In March 2004, the Special Rapporteur stated that he was particularly pleased about the assistance extended to him during his country missions, including by the United Nations Development Programme (UNDP), UN-Habitat and the Office of the United Nations High Commissioner for Refugees (UNHCR) (E/CN.4/2004/48, para. 7).

E. Contribution of the normative activities of the UN-Habitat to the achievement of goal 7 of the Millennium Development Goals

1. Raising awareness of goal 7

19. Two targets of goal 7 of the Millennium Development Goals are directly relevant to the work of UN-Habitat: (a) by 2020 to have achieved a significant improvement in the lives of at least 100 million slum-dwellers (target 11); and (b) to halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation (target 10).

20. OIOS noted that, in its internal analysis, UN-Habitat emphasizes the linkages between the two global campaigns and Goal-related activities. UN-Habitat is planning over the forthcoming two years to launch campaigns in 10 additional countries. In the view of OIOS, while expanding the geographical coverage is

[4] See *Official Records of the General Assembly, Fifty-second Session, Supplement No. 8* (A/52/8), annex I, sect. A.

desirable, UN-Habitat should as a first step strengthen its strategic planning approach, taking more fully into account the needs of the regions, as reflected in the most recent monitoring data and country assessments conducted by the regional offices, and develop and apply the lessons learned from previous campaigns.

2. Monitoring target 10, relating to water and sanitation

21. The Water, Sanitation and Infrastructure Branch is active in a number of areas in support of target 10, which includes its Water for African Cities, Water for Asian Cities and Urban Water Governance programmes and the preparation of the UN-Habitat report on water and sanitation in the cities of the world. In addition, the Branch has developed a new model for cooperation, based on partnerships with Governments and financial institutions, building country capacity and creating an enabling environment for investment flows, which has been replicated in eight African and five Asian cities, leading to improvements in water and sanitation services to approximately 18 million people, including 9 million slum-dwellers. The scaling-up aspect of the above model is central in contributing to the achievement of the target on water and sanitation. UN-Habitat noted that it has concluded a fast-track follow-up investment of its Water for Asian Cities programme with the Asian Development Bank as a follow-up to the World Conference on Sustainable Development.

3. Urban Millennium Partnership

22. The Urban Millennium Partnership on localizing the Millennium Development Goals, an initiative of UN-Habitat in partnership with the organization United Cities and Local Governments and UNDP, was launched in September 2004. The Partnership aims to mobilize the resources needed to achieve the Millennium Development Goals and to promote activities at the global, regional, national and local levels. OIOS notes that, in selecting countries in which to implement the Partnership, UN-Habitat focused on those in which it had previously conducted campaigns. In the view of OIOS, this was a positive step because, based on lessons learned, new initiatives of UN-Habitat have a greater likelihood of succeeding in countries in which it has an established presence, a network of contacts and partnerships and a positive track record. However, in the future, there should be a proactive effort to link this initiative with the planning of future global campaigns.

4. Second World Urban Forum

23. The World Urban Forum is convened every two years by the Executive Director as a non-legislative technical forum in which experts can exchange views in the years when the Governing Council of UN-Habitat does not meet. The second World Urban Forum, held in Barcelona, Spain, in September 2004, saw an increase in participation from 1,195 to 4,389, reflecting a growing interest by policymakers and non-governmental organizations in issues of sustainable urban development. Discussions centred on overcoming urban poverty and ensuring a sustainable urban future, and fostered thorough reflection on the best policies and strategies for achieving poverty reduction and slum upgrading. The second Forum provided the venue for concluding a number of partnership agreements between UN-Habitat and United Cities and Local Governments, Habitat for Humanity International and Green Cross International, and a new phase of cooperation with the European Union. At the opening of the Forum, the late, former Prime Minister Rafik Hariri of

Lebanon was honoured for his outstanding and visionary leadership in the post-conflict reconstruction of his country. The key recommendations of the Forum are submitted to the Governing Council for consideration at its twentieth session in April 2005.

III. Monitoring and research

A. Monitoring function

24. The Monitoring and Research Division has pursued a two-pronged strategy. First, to continue the established programmes of developing and compiling statistics on housing and human settlements, including the *Compendium of Human Settlements Statistics* and the Urban Indicators Programme. Second, to monitor better the Millennium Development Goal target concerning slum-dwellers.

1. Statistics on housing and human settlements

25. In cooperation with the Statistics Division of the Department of Economic and Social Affairs, the Monitoring and Research Division mobilized a network of national statistics offices to collect urban statistics. The Urban Indicators Programme established contacts with experts in cities to provide indicators on the Habitat Agenda themes of shelter, governance, social and economic development and the environment. The databases for urban statistics and indicators available on the UN-Habitat website (Global Urban Observatory web page) have provided information for the Global Report on Human Settlements and have been used for various analytical and policy documents.

26. There are ongoing discussions between UN-Habitat and the World Bank on expanding their existing partnership to include urban and housing indicators collected by UN-Habitat in *World Development Indicators*, published by the World Bank. In the view of OIOS, the partnership is highly desirable since it could enhance the capacity of UN-Habitat, both by contributing rigour to the collection of data and making them available to a wider audience of policymakers.

2. Monitoring target 11, on improving the lives of slum-dwellers

27. In monitoring the progress made towards achieving target 11, the Monitoring Systems Branch facilitated a definition of the slum household used for preparing the slum estimates published in the 2003 edition of the Global Report on Human Settlements. The Branch took the lead in organizing in-house meetings and consultations with Task Force 8 of the Millennium Project on improvement of the lives of slum-dwellers, and expanded its monitoring function to include the Monitoring of Urban Inequities Programme, the objectives of which are global monitoring of urban poverty, enhanced local policy formulation through capacity-building and the establishment of local urban observatories. Another contribution of UN-Habitat to the monitoring of target 11 has been the development and wide dissemination through various channels and mechanisms of tools and guidelines. OIOS observed that the Monitoring and Research Division actively cooperates with many relevant partners in the Secretariat and throughout the United Nations system and participates in the system-wide coordination network and its working groups.

28. OIOS noted, albeit with some qualifications, the overall favourable opinion of partners of the Division in regard to the quality and usefulness of its statistics and indicators. The Division has contributed to improvement in the quality of statistics and estimates and, through a more dynamic collaboration with national statistical offices and other local institutions, to refining and implementing statistical methodologies. UNDP shared this view while noting that the *Urban Governance Index*, a tool being developed to measure good urban governance, required further refinement.

B. Substantive research and reports

29. Within the Monitoring and Research Division, the Policy Analysis, Synthesis and Dialogue Branch is responsible for coordinating research related to the preparation of the two flagship reports of UN-Habitat: *Global Report on Human Settlements* and *State of the World's Cities*.

30. Searches by OIOS in the *Economic Literature Index* and the *Social Sciences Citation Index* yielded no citations of UN-Habitat publications in the professional literature covered by these databases. A search by OIOS in the Lexis-Nexis database yielded three positive brief reviews of flagship reports. OIOS noted that, while in September 2004 the external evaluation commissioned by UN-Habitat reviewed the flagship reports positively, it also found that they were too long and lacked internal coherence since they were written by several consultants. Given the limited resources and the similarity of the issues covered by the two reports, and in order to maintain quality, it was recommended that they should be combined into one flagship report published every two years, which would contain a summary of key findings relevant to policymakers. OIOS shares the view that one flagship report every other year should be published and disseminated extensively and sent to key professional and policy journals for review. OIOS also notes that the Commission on Human Settlements, in its resolution 17/8,[5] had requested the Executive Director to consider the consolidation of the two flagship reports. *UN-Habitat noted that the effectiveness of the flagship reports should be assessed over a longer period, since the second report was first issued in 2001, and that UN-Habitat has the legislative mandate to produce both reports which are, respectively, targeted to the Governing Council and the World Urban Forum.* While UN-Habitat should continue contracting out the major tasks of writing the flagship report, it must increase the ownership and coherence of input by providing guidance in that regard. Publicity for the reports also needs to be increased, using as a model the impressive press and media campaigns for the 2003 edition of the Global Report, which included press conferences convened in several cities, radio and television interviews by UN-Habitat management and senior staff and the distribution of press kits to the media throughout the world.

31. Based on data obtained from the Sales Section of the Department of Public Information and UN-Habitat, OIOS determined that over 4,000 copies of the 2001 edition of the Global Report were distributed free of charge and 2,600 copies were sold by the end of 2004. These sales figures exceed those for the 2001 edition of the flagship report prepared by the Department of Economic and Social Affairs, *World*

[5] See *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 8* (A/54/8), annex I, sect. A.

Economic and Social Survey, which sold approximately 2,000 copies in the same period. As at December 2004, 1,400 and 3,800 copies of the 2003 edition of the Global Report had been, respectively, sold and distributed. The Monitoring and Research Division stated that the 2003 edition sold fewer copies than that of 2001 because it had been on the market only for one year.

Gaps in the research function

32. The Urban Economy and Finance Branch within the Monitoring and Research Division conducts research on policies and strategies in urban planning, economic development, poverty eradication, and municipal and housing finance systems. UN-Habitat reported that it has identified several gaps in this research programme. In view of OIOS, these gaps can be attributed to the lack of prioritizing the large number of topics that require research.

33. The Monitoring and Research Division has addressed part of the problem by establishing a research network which is expected to provide substantive input and advice on the content and organization of UN-Habitat flagship reports and to contribute to the human settlements research agenda. However, there still appears to be a lack of strategic prioritizing of research topics to guide the work of the network.

C. Best Practices and Local Leadership Programme

34. The Best Practices and Local Leadership Programme is a global network of institutions, with an international award programme established in 1995 by the Municipality of Dubai. Every two years, 10 outstanding initiatives receive the Dubai International Award; initiatives meeting the criteria for a best practice award are included in the best practices database and are publicized on the web page of the Programme.

35. The Best Practices and Local Leadership Programme Section has collaborated with the Shelter and Sustainable Human Settlements Development Division in developing casebooks, and has contributed many of the smaller case studies that appear in the flagship reports. The web page of the Programme is very popular and is among the 10 most visited pages of the UN-Habitat website, receiving some 2.5 million hits per year. The assessment of OIOS is that the Best Practices and Local Leadership Programme Section has been successful in promoting the Programme, enlarging its network of partnerships and raising funds, and that it is well regarded by partners and senior management. OIOS does note that UN-Habitat can better utilize the main products, such as the briefs on best practices, by analysing the lessons learned from these briefs and integrating the lessons into the planning and design of all of its activities in particular those related to research and technical cooperation. The Chief of the Section has indicated that only about 10 of 2,000 best practices have received direct input from UN-Habitat. OIOS also notes that eligibility criteria under the Programme are very broad and could be modified to achieve a sharper and narrower focus.

D. Gender mainstreaming

36. The Gender Mainstreaming Unit was set up to coordinate and provide policy and technical support for gender mainstreaming and the women's empowerment activities of UN-Habitat. The Chief of the Unit is a member of the Senior Management Board and the Project Review Committee. In addition, each branch of a division at UN-Habitat has a gender focal point to monitor activities and liaise with the Gender Mainstreaming Unit. Given the very limited resources of the Unit (one temporary post besides that of the Chief), it has made good progress in promoting gender mainstreaming.

37. In 2003, an evaluation of gender mainstreaming at UN-Habitat was conducted by a consultant commissioned by the UN-Habitat Evaluation Unit. In response to the recommendations arising from the evaluation, the Gender Mainstreaming Unit, in collaboration with the gender focal points and some senior managers, conducted a self-assessment exercise for staff, developed a handbook on gender mainstreaming and is planning to convene a series of workshops in 2005. In collaboration with other relevant UN-Habitat entities, the Unit has developed gender indicators and guidelines to mainstream gender in all phases of the programme planning cycle. It has also developed pilot projects that focus on empowering urban women in select African countries.

IV. Operational activities

38. The Regional and Technical Cooperation Division is the operational arm of UN-Habitat, responsible for testing norms and strategies at the regional, national and local levels. The Division has a portfolio of technical cooperation activities of over 150 projects in 61 developing countries and countries with economies in transition. This includes responsibility for the Iraq Programme and the management of three regional offices: for Africa and the Arab States, Asia and the Pacific, and Latin America and the Caribbean. In 2003, the Governing Council of UN-Habitat recommended the strengthening of the regional presence and cooperation of UN-Habitat. Currently, the regional offices are expected to provide the following services to developing countries and those with economies in transition: (a) technical cooperation services; (b) assisting in achieving goal 7 of the Millennium Development Goals, focusing on sustainable urbanization and urban poverty reduction; (c) increasing awareness of the global campaigns; and (d) assisting in the reconstruction of countries affected by disasters and conflict. The regional offices are also expected to contribute to the normative activities of UN-Habitat.

A. Current financing arrangements for regional offices

39. Historically, the three regional offices mentioned above have had to be self-financing. Their need to generate revenue potentially diverts the focus away from core mandates, limits their ability to mainstream activities and increases competition among partners.

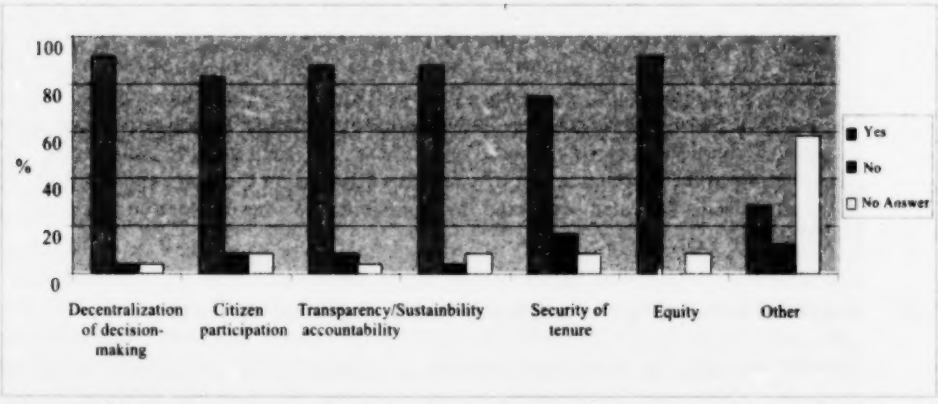
40. The ability to generate extrabudgetary funds has decreased over recent years owing to a number of factors, including the general evolution since 1992 towards national or direct execution of projects, a sharp reduction in the resources available at UNDP for United Nations execution of projects, and the tendency of bilateral agencies to decentralize, making access to bilateral funds extremely complicated. The resulting funding crisis for the regional offices has been addressed through increasing cooperation with development partners outside the United Nations system, mainly the European Commission and bilateral aid agencies, as well as through direct funding by Governments. Closer operational links among the global programmes of the UN-Habitat are being pursued through the direct allocation of the regional support budgets of the global programmes to the regional offices. Nevertheless, on 30 September 2004, UN-Habitat management reported to the Governing Council a budget shortfall of $1.4 million in the expenses of the regional offices for 2004, which it described as a crisis that needed to be addressed to ensure the continuity of the offices.

B. Operational activities in support of normative principles

41. In recent years, UN-Habitat has reoriented its operational activities to support its normative functions and to help find workable solutions for slum upgrading and sustainable urban development by putting in place and testing norms and strategies at the national, regional and local levels.

42. The results of a survey conducted by OIOS of the directors and stakeholders of a random sample of 30 projects selected by OIOS auditors based in Nairobi from all 150 technical cooperation projects indicate that the technical cooperation activities of UN-Habitat contribute to introducing norms and principles into policies at the national and local levels (see graph).

Survey response: Did the projects assist in developing or introducing new policies, norms and principles at the national or local level?



Source: OIOS survey.

43. Staff of the regional offices are contributing to the normative activities of UN-Habitat. For example, a new initiative undertaken by the Regional Office for Africa and the Arab States, the Regional Urban Sector Profile Study, seeks to analyse regional trends and recommendations for urban poverty reduction in Eastern and Southern Africa, compares different urban localities and profiles specific urban issues by assessing slum conditions, urban governance, gender and the urban environment. Through its reliance on consultations with stakeholders at the city, regional and national levels, the study also promotes the norms of good urban governance.

C. Achievements of technical cooperation projects

44. OIOS, in auditing UN-Habitat projects in Somalia (in 2001) and Northern Iraq (in 2003), found problems in project management, procurement, delegation of authority an staffing, and made recommendations to address those issues.

45. The OIOS survey found that the above-mentioned 30 sample projects were generally well designed and that more than one half of those in the final stages of implementation had achieved their objectives. With respect to project delivery the major sources of concern were capacity constraints of finance or staff (28 per cent of respondents), security problems (12 per cent), unrealistic time frames (12 per cent) and a lack of local government support (12 per cent).

D. Role of UN-Habitat programme managers

46. On a pilot basis and as part of the effort to improve collaboration between UN-Habitat and UNDP, the post of UN-Habitat Programme Manager was established late in 2002 within the UNDP structure. The programme managers are recruited locally and report to the Chief of the concerned UN-Habitat regional office through UNDP, and are responsible for the following: active participation in UNDP country activities and United Nations common strategic planning; advocating the norms and principles of the two global campaigns; implementation of the global programmes; and providing support to the regional office in the identification and monitoring of projects. A target level of 38 UN-Habitat programme managers was set for the end of 2004. As at March 2005, 29 had been recruited and recruitment is ongoing for an additional 16. Funding for the programme managers is being mobilized from multiple sources, including global programmes, the United Nations Habitat and Human Settlements Foundation, the Technical Cooperation Trust Fund and from bilateral and multilateral sources. OIOS considers that these appointments have the potential to greatly enhance the capacity of UN-Habitat to achieve its development goals, since the programme manages will help, specifically, to integrate shelter and urban poverty issues into United Nations development assistance frameworks, which, to date, have seldom included the alleviation of slums or urban poverty as major targets.

E. UN-Habitat projects successfully scaled-up

47. A central issue for all parties concerned with human settlements is the question of scaling up programmes to the order of magnitude needed to address the growth of slum settlements in cities. OIOS found many examples of scaling up in the operational aspects of the global programmes and other initiatives of the Regional Office for Africa and the Arab States.

Table 1
Strategies for scaling up

	Criteria		
Programme	*Initial application*	*Scope/method of scaling up*	*Assessment*
Safer Cities Programme	Initially launched in 1996 in Dar es Salaam; in 1998 in Abidjan; and in 2001 in Yaounde.	Replicated in other countries following adaptation to the local context through the development of stakeholder coalitions and the adoption of a multisectoral approach to local authority coalitions. Localized programmes have been expanded to 3 other municipalities of Dar es Salaam, 13 municipalities of Abidjan and 6 municipalities of Yaounde.	1. In Dar es Salaam, a favourable assessment in 2001 identified strong political commitments at all levels of government, wide-ranging coalitions and network groups. 2. In Abidjan, a coalition of partners was established to develop an institutional framework that was then replicated in other cities. 3. In Yaounde, municipal action plans were adopted to facilitate local development. This approach has the potential to be replicated in 20 other cities and to be used for developing a national strategy.
Water and Sanitation and Infrastructure Branch	Initially launched in 1999 in eight African countries to deliver positive change through professional coordination. Following its successful outcome, the programme was replicated in Asia in 2003.	In Africa, during its second phase, the programme is being expanded into secondary towns to provide water and sanitation and reduce environmental pollution. In Asia, the focus is directed at (a) building national capacity through the dissemination of tools, (b) creating a network of cities and (c) creating an enabling environment for new investment flows.	In Africa, a comprehensive effort to improve water management practices has led to improvements in the living conditions of about 16 million people in eight cities. Further expansion of the programme is attracting additional investments of $570 million through the African Development Bank. In Asia, the programme is operational in five cities with a population of 2.5 million. Further expansion of the programme in Africa and Asia is expected to improve the living conditions of 11.5 million people by 2010.
Regional Urban Sector Profile Study	Launched in Somalia in 2002 and published in 2003.	Provides rapid, local-level assessments to develop city profiles, enabling the preparation of a national urban profile that identifies the gaps and priority areas in which intervention is required. In addition, guidance is provided to donors.	Potential to introduce large-scale changes.
UN-Habitat-Cities Alliance	Launched in 1999, the programme is committed to improving the living conditions of the poor.	A global partnership between cities and their development partners to improve the impact of urban development by: (a) improving the living conditions of the urban poor through city and nationwide slum upgrading programmes; and (b) supporting city development strategies by helping to clarify priorities for action and investment.	Supported slum upgrading and city development strategies in more than 150 cities worldwide, including nationwide upgrading efforts at various stages of development and implementation in seven countries. Since 1999, expenditure of $40 million is linked with over $5 billion of investment, including $2.7 billion from the World Bank.

Sources: UN-Habitat self-assessment report, OIOS interviews and desk review of relevant documents.

48. Despite the positive examples illustrated in table 1, a number of pilot projects involving direct technical assistance to slum upgrading designed and implemented by UN-Habitat in developing countries rarely lead to large-scale, long-term programmes capable of reversing the growth of slum settlements.

49. A consensus of development experts indicates that a major obstacle to sustaining human settlements activities at the needed scale is the lack of adequate financing. Most developing countries finance human settlements programmes from their national budgets, supplemented by resources provided by bilateral donors and the multilateral development banks, but the resources are insufficient to meet the needs of the low-income population. Thus, medium- to long-term strategies are needed to raise domestic capital for this purpose. This is being addressed by the Slum Upgrading Facility, a new initiative of UN-Habitat aimed at assisting developing countries in mobilizing domestic capital for their slum and urban upgrading activities by facilitating links among local actors and by packaging the financial, technical and political elements of development projects.

F. Role of UN-Habitat in post-disaster and post-conflict activities

50. The Risk and Disaster Management Programme provides local government, communities and business organizations with practical strategies for mitigating and recovering from conflicts and natural disasters. The 30 sample projects selected by OIOS included 9 projects in six post-disaster/conflict countries. Despite the difficulties experienced in regard to most of these projects, such as procurement delays, lack of effective administrative systems and substantial security limitations, they appear to have been achieving their major objectives.

51. UN-Habitat is aware that the multisectoral and interdisciplinary nature of disaster reduction and response requires continuous interaction, cooperation and partnerships among related institutions and stakeholders, and has taken several steps to create inter-agency linkages. In 2003, it signed two memorandums of understanding, outlining areas of collaboration and responsibility, with UNHCR and with the United Nations Secretariat in relation to the International Strategy for Disaster Reduction. OIOS notes that, since April 2004, UN-Habitat participates in the Executive Committee on Humanitarian Affairs, but that it does not participate in the Inter-Agency Standing Committee. The latter was established, in response to General Assembly resolution 46/182 of 19 December 1991, to formulate a humanitarian policy that would ensure a coordinated and effective humanitarian response by all United Nations operational agencies and other relevant international organizations to both complex emergencies and natural disasters; it is therefore essential that UN-Habitat become a full, participating member of the Standing Committee. Neither does UN-Habitat participate in the Executive Committee on Peace and Security which seeks to establish linkages between peace and security and other sectoral areas. In the view of OIOS, given that it is the mandate of UN-Habitat to be involved in post-conflict reconstruction, consideration should be given by the Department of Political Affairs to inviting UN-Habitat to attend meetings of the Executive Committee, as and when appropriate.

52. UN-Habitat has prepared a theme paper on post-conflict, natural and man-made disaster assessment and reconstruction that proposes guidelines and a framework for its intervention at the earliest stage of post-disaster work in order to

ensure sustainable relief and reconstruction (HSP/GC/20/5). Based on the past experience and positive accomplishments of UN-Habitat in this area, OIOS considers that the early involvement of urban experts will help to ensure that human settlements reconstruction follows the best possible normative practices and has a positive short-term and long-term impact.

G. Cooperation between UN-Habitat and the United Nations Environment Programme

53. Cooperation between the United Nations Environment Programme (UNEP) and UN-Habitat in environmental aspects of policies, planning and management of human settlements was formalized in 1996 through the establishment of a full partnership in the Sustainable Cities Programme, as recommended by their respective intergovernmental bodies. Since then, the two organizations have worked to further strengthen and broaden their framework of cooperation through a new coordinating mechanism and joint activities and programmes. The Sustainable Cities Programme has become a primary tool for supporting the implementation of Agenda 21, the environmental dimension of the Habitat Agenda and the Millennium Development Goals through a process of broad-based participatory urban decision-making. In connection with the Water for African Cities Programme, UNEP has been invited by UN-Habitat to join the Lake Victoria Region Water and Sanitation Initiative. Both UN-Habitat and UNEP support the *Global Environment Outlook* process in planning the development of projects at the local level that analyse the state of the local environment and the impact of cities. UN-Habitat has also produced guidelines in respect of environmental assessment requirements.

V. Innovative approaches to funding

A. Background

54. UN-Habitat has traditionally relied on extrabudgetary sources to fund its activities. While regular budgetary resources have increased by almost 20 per cent since the 1998-1999 biennium, the proportion of regular budgetary to total expenditure is only 10 per cent. The overall decline in donor funding available for technical cooperation activities is also expected to have an impact in the medium term.

55. Fund-raising at UN-Habitat is led by the Executive Director who promotes the activities of the Programme and appeals to existing and potential donors to provide voluntary contributions to implement the Habitat Agenda and the Millennium Declaration in regard to slum upgrading. A focal point provides each donor with a specific reference person to whom it can direct its enquiries. In addition, UN-Habitat organizes conferences with all donors to promote and appeal for increased funding and to report to them on the progress made in the programmes and projects to which they have already contributed funding. Despite this arrangement, OIOS observed that, in practice, there is a general lack of coordination of fund-raising efforts by UN-Habitat senior officials who use their networks to raise funds for the projects falling under their responsibility.

Table 2
UN-Habitat expenditure, 1998-2007
(Millions of United States dollars)

	Annual expenditure				
Category	*1998-1999*	*2000-2001*	*2002-2003*	*2004-2005*[a]	*2006-2007*[b]
Regular budget	13.9	15.7	14.5	16.5	16.5
United Nations Habitat and Human Settlements Foundation	25.1	20.8	45.4	67.0	32.7
Technical cooperation[c]	115.3	319.5	169.3	69.0	67.1
Total	**154.3**	**356.0**	**229.2**	**152.5**	**166.3**

Source: UN-Habitat Management Support Unit.

[a] Revised estimates based on HSP/GC/20/9.

[b] Budget estimates based on HSP/GC/20/9, with the regular budgetary component maintained at the same level as the 2004-2005 biennium pending approval of the proposed regular budgetary submission by the General Assembly.

[c] Despite the rise in bilateral contributions, total extrabudgetary expenditures, which tend to be driven by post-conflict, post-disaster situations, have declined over the past two bienniums, primarily because of the closure of the Oil-for-Food programme.

B. Financial concerns exist

56. The resource mobilization strategy of UN-Habitat has resulted in a steady fourfold increase in resources over the past four years, from $16.5 to $63.5 million. Despite this progress, financial concerns persist owing to:

(a) The substantial proportion of earmarked or special purpose contributions, which are more than double the level of the general purpose (non-earmarked) extrabudgetary contributions made during the past few bienniums, a ratio which is expected to remain at much the same level;

(b) The dependency on a small number of donors. Over the past five years, on average, the top 10 donors have contributed 60 per cent of total contributions to the United Nations Habitat and Human Settlements Foundation.

57. Nevertheless, OIOS is of the opinion that the overall growth of bilateral contributions is an indicator of confidence in UN-Habitat and its leadership.

Table 3
Income of the United Nations Habitat and Human Settlements Foundation
(Millions of United States dollars)

	Annual expenditure				
Category	*1998-1999*	*2000-2001*	*2002-2003*	*2004-2005*[a]	*2006-2007*[b]
General purpose	7.3	10.9	14.3	22.0	25.0
Special purpose	18.0	14.2	37.8	45.2	56.5
Subtotal	**25.3**	**25.1**	**52.1**	**67.2**	**81.5**
Other income	1.0	2.4	2.4	1.5	1.5
Total	**26.3**	**27.5**	**54.5**	**68.7**	**83.0**

Source: UN-Habitat Management Support Unit.
[a] Revised estimates based on HSP/GC/20/9.
[b] Budget estimates based on HSP/GC/20/9, with the regular budgetary component maintained at the same level as the 2004-2005 biennium pending approval of the proposed regular budgetary submission by the General Assembly.

C. Slum Upgrading Facility

58. The General Assembly, by resolution 56/206, called for UN-Habitat to strengthen the United Nations Habitat and Human Settlements Foundation so as to facilitate requisite investments for improving human settlements for low-income people, in particular, in developing countries and countries with economies in transition. In response, the subprogramme on human settlements financing was established in the biennium 2004-2005. The subprogramme includes the Slum Upgrading Facility (see para. 49 above) which is managed in conjunction with Cities Alliance (see para. 60 below). As at the end of 2004, the Governments of the United Kingdom and Sweden had pledged $20 million of the $30 million needed for the initial three-year effort.

59. OIOS notes that in order to implement the above-mentioned General Assembly resolution, the elaboration of a complete package of operational financial regulations and rules specific to the revitalized United Nations Habitat and Human Settlements Foundation, which is anchored in the Human Settlements Financing Division, is necessary to enable the Foundation to act as a financing facility for the provision of seed capital and other forms of financial assistance. Also, OIOS is aware that there is an ongoing discussion within UN-Habitat on the terms of reference of the Slum Upgrading Facility. OIOS is of the view that UN-Habitat has not adequately defined its corporate role in raising domestic capital for the Facility. In interviews with senior officials, they sometimes refer to UN-Habitat playing the role of broker or that of change agent contributing a small amount of seed capital, while in documents they mention the option of setting up a global shelter loan guarantee facility which would guarantee to domestic financial institutions the repayment of a significant portion of the loans in case of default by domestic borrowers.

D. Expansion of strategic partnerships

60. Recently, UN-Habitat has embarked on the following strategic partnerships to increase the impact of the Programme and leverage its resources:

(a) Cities Alliance is a global alliance of cities and their development partners committed to improving the living conditions of the urban poor. It was launched by UN-Habitat and the World Bank in 1999, together with Governments and the four major global associations of cities and local authorities which recently merged as the organization United Cities and Local Governments. Seeking impact at scale, the Cities Alliance provides support to nationwide slum upgrading and to cities committed to implementing citywide development strategies;

(b) The 2002 memorandum of understanding between UN-Habitat and UNDP on the placing of UN-Habitat programme managers in selected countries is aimed at improving collaboration and ensuring that urban poverty reduction will receive greater consideration, in both the planning and allocation of resources;

(c) UN-Habitat has signed a memorandum of understanding with the Asian Development Bank to secure support for water and sanitation in Asian cities, and with the Inter-American Development Bank to promote cooperation in support of joint projects and programmes in housing and urban development;

(d) UN-Habitat has also encouraged the development of multi-year core funding arrangements by donors that increase the predictability of their support. Such a partnership programme, pioneered with the Government of the Netherlands, promotes the concept of soft earmarking and supports the implementation of the strategic vision of UN-Habitat. It is expected that if other donors were to adopt this approach, it would bring more stability and predictability to funding of priority areas.

VI. Executive direction and cross-cutting issues

A. Support provided to the Executive Director

61. The Executive Director is well respected among partners and stakeholders for her drive and energy in pursuing the strategic vision and promoting the Programme and its mandate. The partners and stakeholders attribute much of the credit for the increase in voluntary contributions over the past four years, as well as for the new partnership agreements, to her leadership. Her ability to ensure that the administrative infrastructure supports this growth has been hampered by the absence of a full-time Deputy Executive Director. This function has been performed for the past two years by the Director of the Regional and Technical Cooperation Division in addition to his normal duties. If the gains made by the Executive Director are to be sustained, there is an urgent need to ensure that this senior manager is available full time to focus on the administrative infrastructure.

B. Support provided to intergovernmental bodies

62. Support is provided to the Committee of Permanent Representatives and the Governing Council by the Secretariat of the Governing Council, External Relations

and Inter-Agency Affairs Section. Although the staff members of the Section advised OIOS that there is sufficient staffing and funding capacity adequately to support the Committee and the Governing Council, discussions by OIOS with members of the Committee indicate that the formal support received from the Section is not sufficient or timely and that, as a recourse, they are using other parts of UN-Habitat to obtain the information they need. In the view of OIOS, this inadequate level of support is attributable to the fact that the Section is not only responsible for support to the Committee and the Governing Council but also for external relations, such as answering queries from various levels of local government and from ministers, as well as for inter-agency affairs. The job description of the Chief of the Section lists the following responsibilities: Secretary of the Governing Council, Secretary of the Committee of Permanent Representatives, Secretary of the World Urban Forum, Chief of Inter-Agency Affairs, Chief of External Relations, Chief of Protocol, Principal Liaison Officer with the host Government in respect of the implementation of diplomatic privileges and immunities under the Headquarters Agreement, and undertaking special assignments of a political nature. OIOS observes that, in the United Nations Secretariat, this collection of functions is usually not assigned solely to one unit.

C. Outreach and information

63. In 2003, a new information strategy was drawn up, aimed at improving the effectiveness of UN-Habitat in raising awareness of human settlements issues, enhancing its profile and supporting the global exchange of information on shelter and human settlements issues. As a result, the Press and Media Unit became part of the Information Services Section and a 2 per cent budget provision was introduced in all subprogrammes to ensure the necessary funds for information and evaluation activities.

64. In 2003, as a result of a contract between UN-Habitat and the Pan African News Agency, PANAPRESS, to increase coverage of news on urbanization and human settlements, 100 articles were posted on the PANAPRESS website. Press and media guidelines were established for all UN-Habitat regional offices, and workshops were conducted for journalists. The Information Services Section played a major role in promoting World Habitat Day and the second World Urban Forum, and took steps to enhance the corporate identity of UN-Habitat.

65. Since 2001, as a result of various improvements to the website, including weekly updating of information, there has been an increase in the number of visits per month, from 80,000 to 120,000. Early in 2004, the UN-Habitat Intranet became accessible at all UN-Habitat locations, including regional offices, providing a central, searchable knowledge base. Also, in collaboration with UNEP, the UN-Habitat library was re-established as a separate collection located in the main library of the United Nations Office at Nairobi.

66. The Section contributed to developing a new publication policy and supporting system to improve the planning, monitoring and production of UN-Habitat publications. The policy addresses many of the recommendations contained in a 2002 OIOS audit report, in particular, the introduction of a sales and marketing strategy aimed at increasing the circulation of UN-Habitat publications to the target audience and recovering publication costs.

67. OIOS is concerned that information and communication activities are still considered subsidiary activities and, in the first year, it proved difficult to mobilize the necessary funds. As a result, some activities could not be fully implemented. Once all of the supervisory posts are filled, the Information Services Section, with 5 Professional and 19 General Service staff and 3 service contractors, will have the capacity to fulfil its ambitious mandate.

D. Monitoring and evaluation

68. The monitoring and evaluation functions of UN-Habitat are coordinated by the Monitoring and Evaluation Unit, which is located in the Office of the Executive Director to give it greater independence. Between 2000 and the end of 2004, 36 assessments and evaluations were prepared. OIOS found that the quality of the reports varied greatly, that there was an absence of a common methodological framework and that there were gaps in the evaluation coverage. Global programmes and urban governance issues were well covered, while secure tenure activities were not.

69. Since 2003, UN-Habitat has undertaken several initiatives to strengthen monitoring and self-evaluation activities. A new charging system was introduced in support of evaluation activities. Two publications, a monitoring and evaluation guide and a project cycle manual, were issued in 2003. An internal monitoring and evaluation database management system is being developed to plan and monitor evaluations, track the progress made in the implementation of recommendations and analyse the lessons learned.

70. The major challenge faced by the Monitoring and Evaluation Unit is its limited staffing resources (1 Professional and 1 General Service). The 2 per cent provision of the new charging system covered only 10 per cent of the required funding of $850,000 for the 2004-2005 biennium.

VII. Conclusions and recommendations

71. Since its creation in 1977, the United Nations Human Settlements Programme (UN-Habitat) has evolved into a comprehensive set of normative, analytical and operational activities. The Programme has a very broad mandate and, under the themes of urban governance, sustainable development and shelter, it covers a wide range of social and economic issues. Since their launching in 2000, the global campaigns on urban governance and secure tenure have: (a) provided the framework for several UN-Habitat activities, such as the global programmes and technical cooperation activities; (b) raised awareness of the norms of good urban governance and secure tenure; and (c) led to changes at the policy and institutional levels in the countries in which they were launched. However, OIOS found that effectiveness of the global campaigns was impaired by financial constraints and the lack of a clear strategy, and that they have not provided the expected driving and organizational framework for all UN-Habitat activities.

72. The contribution of UN-Habitat to the achievement of goal 7 of the Millennium Development Goals has been constrained by the limited scope of some of the advocacy activities. However, OIOS noted the following positive

accomplishments: (a) the establishment of a new model of cooperation in African and Asian cities in support of the target relating to water and sanitation; and (b) the establishment in 2004 of the Urban Millennium Partnership, a collaborative effort of UN-Habitat, United Cities and Local Governments and UNDP, aimed at mobilizing resources to achieve the Millennium Development Goals at the local level; and (c) the development of a definition of the slum household and monitoring tools that are used by Governments.

73. UN-Habitat has made a significant contribution to city statistics and slum estimations and there are ongoing discussions to strengthen the partnership between UN-Habitat and the World Bank with respect to the World Development Indicators. Based on a recent evaluation commissioned by UN-Habitat, its two flagship reports were reviewed positively. Nonetheless, OIOS concurs with the recommendation of the evaluators to streamline the number of reports so as to maintain quality and avoid duplication. The Monitoring and Research Division has identified gaps in its research agenda; there is a need for prioritizing the large number of topics on which it is currently conducting research. This prioritizing should also serve as the basis for guiding the activities of the network of academic and research institutions established to assist UN-Habitat. The Best Practices and Leadership Programme, an international award programme, is well regarded but needs to be better integrated into the work programme. Good progress has been achieved towards mainstreaming gender in all UN-Habitat activities.

74. OIOS finds that, despite some capacity constraints and security concerns, clients were generally satisfied with UN-Habitat technical cooperation projects and that the projects have contributed to introducing new norms and policies at the national and local levels. While OIOS found many admirable examples of scaling up of successful initiatives in the operational aspects of the global programmes and other initiatives, a number of pilot projects involving direct technical assistance to slum upgrading designed and implemented by UN-Habitat in developing countries rarely lead to large-scale programmes capable of reversing the growth of slum settlements. The placement of UN-Habitat programme managers in UNDP offices in a number of developing countries is a positive step in integrating the Habitat Agenda more fully into United Nations development assistance frameworks.

75. Despite the commendable progress made in regard to resource mobilization, including the adoption of innovative approaches to funding, the following financial concerns persist: (a) the substantial proportion of bilateral governmental contributions that is earmarked; and (b) the dependency on a small number of donors. Despite the recent establishment in the biennium 2004-2005 of a subprogramme focusing on resource mobilization, OIOS notes that there is lack of clarity as to who is responsible for the coordination and raising of funds for the various programmes and activities.

76. Partners and stakeholders have expressed appreciation for the drive and energy demonstrated by the Executive Director of UN-Habitat in pursuing the Programme's strategic vision, and her promotion of the Programme and its mandate. They also attribute much of the credit for the increase in voluntary contributions and for the development of new partnerships to her leadership. However, OIOS notes the need for senior management of UN-Habitat to take immediate steps to: (a) narrow the scope of the Programme and focus on fewer activities (see para. 79 below); (b) strengthen programme planning, design and coherence in several functional

areas; (c) improve the support provided to the Governing Council and the Committee of Permanent Representatives; and (d) enhance the capacity of the Evaluation and Monitoring Unit.

77. As noted above, UN-Habitat has a very broad mandate. A number of important stakeholders have suggested that, given the unpredictability of extrabudgetary funding and other considerations, UN-Habitat could be more effective if it narrowed the scope of its programme and focused on fewer activities. UN-Habitat has pointed out that this might be limited by practical considerations, including the need to implement its approved work programme. Its view is that, historically, urban issues have been marginalized in the development agenda. OIOS agrees, and suggests that correcting this deficiency could be the organizing principle for greater focus.

78. Based on the above and the findings described in the present report, OIOS makes the 13 recommendations set out below.

Recommendation 1
Sharpening the focus of UN-Habitat

79. **Given its very broad mandate and the very limited scale of its available resources, UN-Habitat should identify a few critical areas of its mandates on which to focus in order to have the greatest impact within the constraints imposed by its approved work programme. This process of identifying areas of focus should result in proposals to be submitted to the Committee of Permanent Representatives in the first half of 2006 (see paras. 71 and 77).**

Recommendation 2
Improve the planning, management and funding of the global campaigns

80. **The Shelter and Sustainable Human Settlements Development Division should enhance the impact of the global campaigns, through a strategic review and programming exercise, by (a) refining the current campaign model on the basis of past lessons; (b) assisting the sustainability of the campaign momentum beyond the launch event by developing and sharing, at the planning stage, the strategic plans of action with traditional donors and potential new donors; and (c) mobilizing adequate resources for campaign activities (see paras. 13 to 15).**

Recommendation 3
Mainstream housing rights

81. **The Executive Director should establish an in-house task force to mainstream housing rights, including security of tenure and slum upgrading, in all aspects of UN-Habitat activities in the same way that gender issues have been mainstreamed (see paras. 17 and 18).**

Recommendation 4
Consolidate flagship reports

82. **UN-Habitat should publish one flagship report every other year and publicize it through extensive launch activities, utilizing the lessons learned from the launch of the 2003 edition of the Global Report on Human Settlements, *The Challenge of Slums*. All UN-Habitat publications, including its flagship reports, should contain a summary of key findings with policy**

implications, and these findings should be publicized through press releases and interviews. All publications should be sent for review to professional and policy journals concerned with human settlements, and the reviews discussed at the managerial level (see para. 30).

Recommendation 5
Eliminate gaps in research

83. **The Monitoring and Research Division should prioritize its programme of research to eliminate the critical gaps in coverage that it has identified. One priority should be to provide guidance and leadership to the Human Settlements Network, focusing it on policy-oriented research (see paras. 32 and 33).**

Recommendation 6
Best Practices and Local Leadership Programme

84. **It is recommended that:**

(a) **UN-Habitat management ensure that the lessons learned from the Best Practices and Local Leadership Programme are more systematically integrated into the work of the other UN-Habitat units;**

(b) **The guidelines and mode of operation of the Best Practices and Local Leadership Programme should be reviewed in order to focus its work more sharply on human settlements and urban poverty issues (see para. 35).**

Recommendation 7
Evaluate the impact of the UN-Habitat programme managers

85. **An evaluation of the role and effectiveness of the UN-Habitat programme managers should be conducted early in 2007 for review by senior management at both UN-Habitat and UNDP (see para. 46).**

Recommendation 8
Relevant pilot projects involving direct technical assistance should be designed to scale up

86. **It is recommended that:**

(a) **The governing policy in regard to technical assistance for which UN-Habitat is the executing agency should be that relevant pilot projects which involve direct technical assistance for slum upgrading be designed to scale up, if they are assessed to have had a positive impact;**

(b) **In the context of addressing the problem of raising medium- to long-term domestic capital, a critical element of moving to scale, the Slum Upgrading Facility should clearly define its role and the division of labour vis-à-vis other international organizations and lending institutions;**

(c) **The Financial Rules and Regulations of the United Nations Habitat and Human Settlements Foundation should be published and promulgated by the end of 2005 (see paras. 47-49, 58 and 59).**

Recommendation 9
Early involvement of human settlements experts in post-conflict and disaster assessment and reconstruction

87. **It is recommended that:**

(a) **UN-Habitat, through its involvement in the Executive Committee on Humanitarian Affairs, should promote the early involvement of human settlements experts in post-conflict and disaster assessment and reconstruction in order to ensure that human settlements reconstruction follows best practices; to be fully integrated into the United Nations humanitarian and reconstruction process, UN-Habitat must become a member of the Inter-Agency Standing Committee;**

(b) **The Department of Political Affairs should consider inviting UN-Habitat to participate in the meetings of the Executive Committee on Peace and Security, as and when appropriate (see paras. 50-52).**

Recommendation 10
Fund-raising activities

88. **UN-Habitat should clarify who within the organizational set-up is responsible for coordinating fund-raising and raising funds for the global campaigns, global programmes and technical assistance projects (see paras. 55, 58 and 59).**

Recommendation 11
Appointment of a Deputy Executive Director

89. **The appointment of a Deputy Executive Director of UN-Habitat should be expedited to ensure that this senior manager is available full time to focus on the administrative infrastructure and cross-cutting issues (see para. 61).**

Recommendation 12
Secretariat support to Member States

90. **In order to strengthen the support provided to the Committee of Permanent Representatives and the Governing Council, UN-Habitat should streamline the functions of the secretariat of the Governing Council by reassigning its inter-agency affairs responsibilities to another organizational unit (see para. 62).**

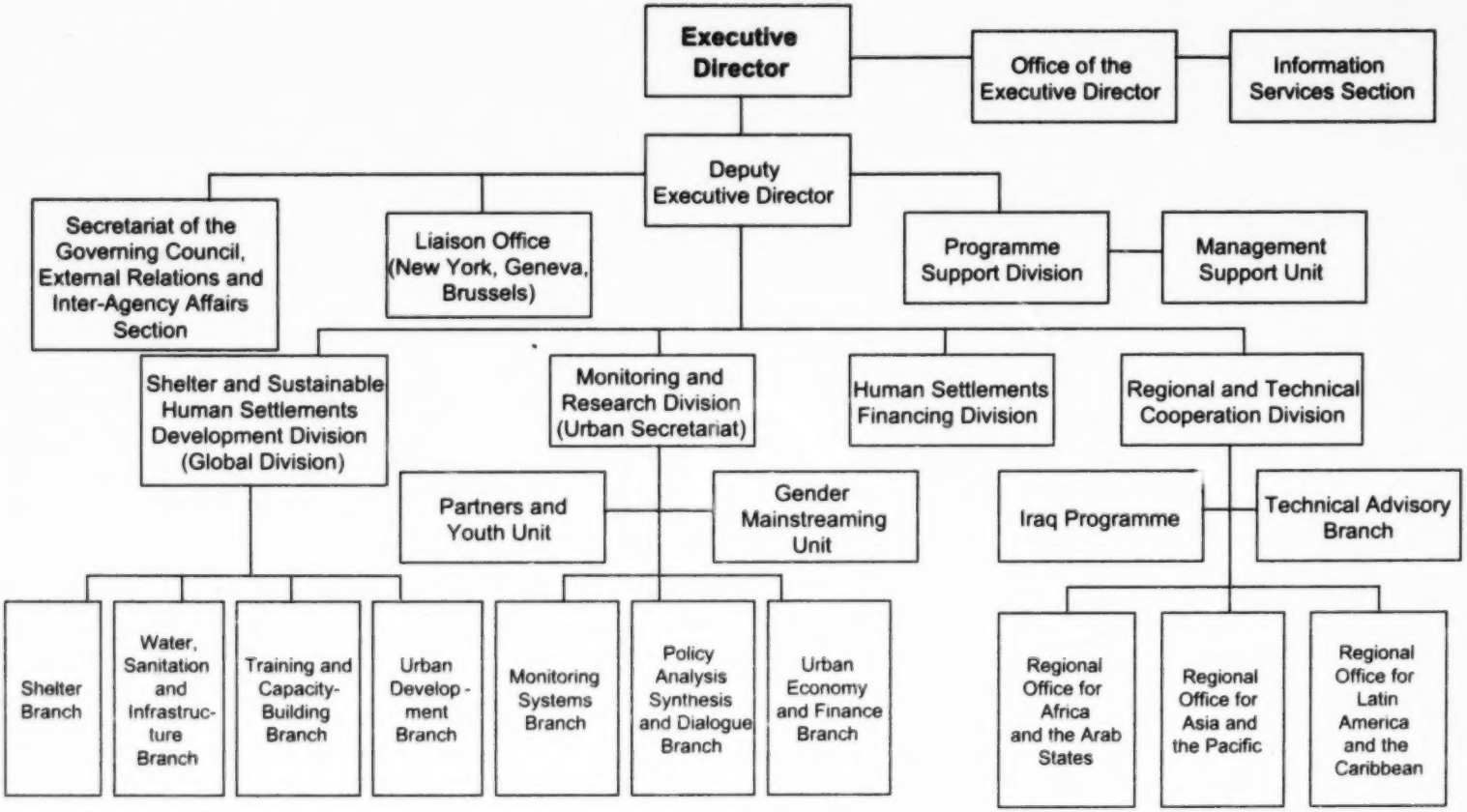
Recommendation 13
Capacity of the Evaluation and Monitoring Unit

91. **UN-Habitat should increase the capacity of the Monitoring and Evaluation Unit by at least one post to better meet its requirements and to improve the quality of evaluation and monitoring activities (see paras. 68-70).**

(*Signed*) Dileep **Nair**
Under-Secretary-General for Internal Oversight Services

Annex

Organizational chart of the United Nations Human Settlements Programme (UN-Habitat)


Executive Director
Office of the Executive Director
Information Services Section
Deputy Executive Director
Secretariat of the Governing Council, External Relations and Inter-Agency Affairs Section
Liaison Office (New York, Geneva, Brussels)
Programme Support Division
Management Support Unit
Shelter and Sustainable Human Settlements Development Division (Global Division)
Monitoring and Research Division (Urban Secretariat)
Human Settlements Financing Division
Regional and Technical Cooperation Division
Partners and Youth Unit
Gender Mainstreaming Unit
Iraq Programme
Technical Advisory Branch
Shelter Branch
Water, Sanitation and Infrastruc-ture Branch
Training and Capacity-Building Branch
Urban Develop-ment Branch
Monitoring Systems Branch
Policy Analysis Synthesis and Dialogue Branch
Urban Economy and Finance Branch
Regional Office for Africa and the Arab States
Regional Office for Asia and the Pacific
Regional Office for Latin America and the Caribbean